AUGUST 15, 1959

foreign trade

CANADA

THE CONGO MEETS TRADING PROBLEMS (page two)

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cover When the noon-hour arrives in Leopoldville, Belgian Congo, African workers take to their bicycles and head home for lunch. This picture shows Prince Baudouin Avenue, the main thoroughfare in the native part of the city. Leopoldville and other Congo cities have felt the impact of a business recession and unemployment in recent months, as the report on page two points out. The article also discusses the movement of export and import trade in the last two years.

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CANADA

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The Congo Meets Trading Problen

Fall in world prices for copper and other minerals and for tropical agricultural products meant trade deficit in 1957 and 1958, but 1959 is expected to bring improvement. Canadian sales to Belgian Congo last year proved to be best since 1955.

R. A. BULL, *Assistant Trade Commissioner, Leopoldville.*

LAST year the Belgian Congo experienced a sharp business recession that hit hardest at the more vulnerable members of the community—the small shopkeepers and businessmen, both native and European, and native labour. One effect of this was that the total of deposits in post office savings began to fall last August for the first time in eight years. The six-months fall has totalled only 129 million francs, or just over 6 per cent, but 88 million of this was withdrawn in the month of January 1959, and the withdrawals have since continued. In addition, between 1957 and 1958 protested bills rose by nearly one-third in number and 132 million francs in value, to 445 million francs in all.

Unemployment Brings Unrest

Large-scale unemployment has appeared in recent months and contributed to the riots that took place in January. Active and ambitious natives tend to seek work in the capital where they assume the best and easiest jobs are to be found, where the opportunity for further education for themselves and their children is attractive, tribal controls are weakest, and life is most entertaining. But after the recession began, the new arrivals were unable to find work and large numbers were left idle. Legislation decreeing no more hiring of non-Congolese natives and exertion by the authorities to send the unemployed back to their homes have been effective, but the unemployment problem remains.

Financial Situation

For a number of years, the strategic stockpiling of metals abroad maintained a high level of mineral production in the Congo, increasing export earnings and creating a surplus on current account in 1950 an 1951. After 1951 the current a count was always in deficit but wit annual contributions of public an private capital, principally fro Belgium, the balance of paymen continued favourable until 1956.

In 1957, the drop in the price c copper and other minerals and c tropical agricultural products re duced export earnings. Expenditur on imports remained high and th result was a deficit on current ac count of 7.8 billion francs, up fro 3.8 billion in 1956. Last year ex ports went down 10 per cent bu imports fell by 16 per cent. This cu the trade deficit to 5.6 billion franc

Progress in the Congo is largel based upon a flow of capital fro

BALANCE OF PAYMENTS OF THE BELGIAN CONGO AND RUANDA-URUNI 1957 and 1958

	Receipts		Expenditures		Balance	
	1957	1958	1957	1958	1957	1958
			(in million francs)			
1. Operations on current account						
(a) Goods and services:						
commodities*	27,615	24,951	19,865	16,562	+7,750	+8,3
non-monetary gold	631	656			+ 631	+ 6
tourism	323	353	1,849	2,138	−1,526	−1,7
transport and insurance	402	390	7,275	5,835	−6,873	−5,4
investment income	743	730	4,312	4,206	−3,569	−3,4
government operations	761	719	1,892	1,775	−1,131	−1,0
other	882	1,132	2,637	2,581	−1,755	−1,4
TOTAL	31,357	28,931	37,830	33,097	−6,473	−4,1
(b) Gifts and transfers by migrants	667	661	2,020	2,065	−1,353	−1,4
Total, operations on current account	32,024	29,592	39,850	35,162	−7,826	−5,5
2. Long-term capital movements:						
private	3,565	2,812	3,200	2,991	+ 365	− 1
public	569	6,021	493	556	+ 76	+5,4
TOTAL	4,134	8,833	3,693	3,547	+ 441	+5,2
3. Errors and omissions					− 97	−
4. Total corresponding to the variation in short-term external credits, of which:					−7,482	− 2
private credits					− 155	+ 1
currency reserves					−7,327	− 4

*c.i.f. values.

This heavy disc plough is at work on a sugar estate of the Congolese Sugar Company at Moerbeke-Kwilu in the Lower Congo; this estate produces between 12,000 and 16,000 tons of sugar a year. Sugar does not rank among the Congo's major exports.

abroad. In 1957, this flow almost dried up. Again in 1958, the balance of payments was kept favourable only by substantial government financing in Belgium, without any net increase in the influx of private capital. Whether this private investment will be forthcoming in large enough amounts will depend largely on a rise in international commodity prices and on internal stability. The table on page two gives details on the balance of payments.

The movement of private long-term capital has been irregular over the last three years: 1956, —623 million francs; 1957, +365 million francs; 1958, —179 million francs. Net capital expansion has come almost entirely to reflect public investment.

Year	Receipts of public capital	Change in long-term capital balance
	(in million francs)	
1956	4,728	+3,703
1957	569	+ 441
1958	6,021	+5,286

Influences on Export Trade

The severe drop in world prices of many commodities was felt in the Congo as early as 1957, as the large deficit on current account in that year shows. The 1958 export figures reflected a fall in the value of agricultural exports of 4.9 per cent (total value, 8.8 billion francs) despite a small increase in volume. The value of mineral exports went down by 21.2 per cent to 11.2 billion francs, because of a considerable fall in prices and a small drop in volume. The over-all decrease in exports was about 12 per cent.

If any one commodity still dominates the Congo's exports, it is copper. Copper tonnage since 1956 has been:

1956	253,748 tons
1957	241,565 tons
1958	241,341 tons

But value has fallen:

1956	10.97 billion francs
1957	7.5 billion francs
1958	5.4 billion francs

The fall in the value of exports between 1957 and 1958 was 3,424 million francs; copper represented about 61 per cent of this. The recent improvement in world copper prices should help export totals during at least the first half of 1959.

The most important exports last year are shown in the accompanying table.

Trends in Import Trade

The lower value per ton of exports is in direct contrast to the higher cost per ton of imports. The volume of imports has decreased

EXPORTS FROM BELGIAN CONGO 1958

Product	Volume (tons)	Value* (francs)	% change from 1957 Volume	Value
Copper	241,000	5,401,000,000	— .1	—27
Coffee	70,603	2,815,000,000	+ 4.1	— 4.4
Palm oil	164,586	1,676,000,000	+ 6.5	— 2.4
Industrial diamonds (carats)	14,383,000	1,474,000,000	— 1.3	+ 9.1
Cobalt	7,182	1,176,000,000	—11.3	—19.7
Cotton	34,410	1,066,000,000	—12.6	—17.2

*f.o.b., customs returns.

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since 1955 and until this year the cost of them has risen steadily.

	Import Tonnage (thousands of tons)	Import Value (millions of francs)
1955	1,706	18,952
1956	1,683	20,658
1957	1,684	21,909
1958	1,514	17,986

Although the selection of 1953 as the base year distorts the import index, the tendency over the intervening years has been for consumer goods to rise and capital goods to decline in value. Between 1957 and 1958 the total value of imports under the first two columns below decreased by 1.24 billion francs but for those under the last two columns the decrease was 2.6 billion, over twice as much. Capital goods alone declined by 1.2 billion francs.

(1953=100)

	Consumer Goods	
	native	other
1956	124.9	154.6
1957	137.2	152.8
1958	100.2	134.0

	Stocks and Supplies
1956	144.7
1957	150.1
1958	127.0

	Capital Goods and Equipment
1956	87.9
1957	84.7
1958	65.7

(1953 consumer goods, native— 2,496,000,000 francs
consumer goods, others— 2,292,000,000 "
stocks and supplies— 4,752,000,000 "
capital goods and equipment— 8,064,000,000 ")

In January and February of this year, the export-import balance improved, compared with the first two months of 1958.

Direction of Trade

There are many independent Congolese companies, small firms generally engaged in import or export trading and wholesaling. The large development and trading companies are financed and directed from abroad, largely from Europe, and purchase from particular sources, as illustrated by the regular annual trading deficit with Belgium.

In 1958 Belgium took Congo exports to the value of 4.5 billion Congo francs and provided the Congo with imports worth 6.3 billion Congo francs; these figures represented 21.5 and 35.2 per cent respectively of the export and import totals, or a difference of 1.9 billion francs. This deficit was nearly compensated by a surplus with the French Community, which took exports worth 2.8 billion francs and provided imports worth only 723 million francs. The French Community's share of Congolese exports was thus 13.7 per cent and her share of Congo imports 4 per cent in 1958.

The best customers of the Congo in 1958 (f.o.b. values) are shown in Table A below.

The chief exporters to the Congo (c.i.f. values) are listed in Table B. These countries were followed by South Africa, British East Africa and Japan, in that order, each with less than 500 million francs worth, or 3 per cent, of imports.

Trade with Canada

Canadian trade with the Congo in 1958 was almost in balance:

	Imports from Canada	Exports to Canada
	(in million francs)	
1958	146.5	143.0
1957	131.2	253.0

The estimate given above of Congo exports to Canada in 1958 valued at 143 million francs has been calculated from an analysis of figures from three separate sources —*Imports*, published by the Dominion Bureau of Statistics; figures obtained from customs returns of the Belgian Congo, and the statistics published by the Congo's Banque Centrale, which are made up from Canadian dollars paid for Congo exports.

TABLE A—PRINCIPAL MARKETS

Country	Value (billion francs)	Value $ @ 50 fr. (millions of $)	% of total
United States	4.6	92.2	22.1
Belgium	4.5	89.3	21.5
French Community	2.8	57.1	13.7
United Kingdom	2.0	40.4	9.7
West Germany	1.9	38.2	9.2
Italy	1.3	25.2	6.1
Netherlands	1.1	22.1	5.3

TABLE B—PRINCIPAL SUPPLIERS

Country	Value (billion francs)	Value $ @ 50 fr. (millions of $)	% of total
Belgium	6.3	126.4	35.2
United States	2.6	51.4	14.3
West Germany	1.5	31.0	8.6
United Kingdom	1.4	27.6	7.7
Netherlands	.74	14.9	4.1
French Community	.72	14.5	4.0
Italy	.66	13.3	3.7

PRINCIPAL BELGIAN CONGO EXPORTS TO CANADA

	1958	1957
Tin	85 million francs (f.o.b. +10 per cent)	122 million francs (f.o.b. +10 per cent)
Green coffee	38.5 million francs (c.i.f. DBS)	28.6 million francs (c.i.f. DBS)
Manganese ore	7.2 million francs (c.i.f. DBS)	93.7 million francs (c.i.f. DBS)
Palm and palm kernel oil	6.7 million francs (f.o.b. +10 per cent)	52.4 million francs (c.i.f. Banque Centrale)
Wood and products	4.9 million francs (c.i.f. DBS)	6.1 million francs (c.i.f. DBS)

The main exports to Canada are shown above.

Belgian Congo export figures can normally be expected to vary from Canadian import figures for the same period by the difference between f.o.b. and c.i.f. prices of 10 to 15 per cent, depending on the commodity and the method of shipment. Goods shipped to Canada via the United States are registered as exports to that country, and Canadian goods shipped via U.S. ports are registered as imports from the United States. Many Congo exports to Canada are shipped via Belgium, arriving in Canada as exports from Belgium. The figures on Canadian imports from Belgium are correspondingly increased and the false impression given that Canada is a substantial creditor of the Congo.

Canada-Congo Trade Analyzed

Canadian exports to the Belgian Congo rose in 1958 to $2,930,768 —their highest point since 1955, when they totalled over $3½ million —despite the nearly 20 per cent drop in total imports into the Congo between 1957 and 1958. Flour of wheat continued to be the leading Canadian commodity, valued at $893,054, 30 per cent of the total. Indeed the increase in flour sales alone between 1957 and 1958 outstripped the increase in all exports:

Flour of wheat	+$400,000
All exports	+$300,000

The share of flour declined from nearly 50 per cent of all exports in 1955 to only 20 per cent in 1957. Yet Congo imports of flour from all sources have more than trebled since 1953. In the first quarter of this year, however, Canadian shipments to the Congo went down to $588,199 from $649,527 in the same period of last year. Flour exports, however were up to $302,641, 34 per cent greater than in the first quarter of 1958.

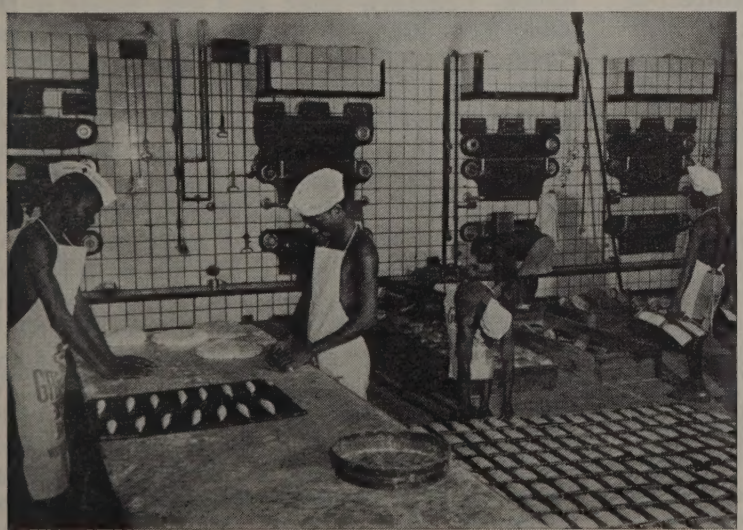
Other major Canadian exports to the Belgian Congo included:

	1958	1957
Machinery and parts, n.o.p.	$ 758,285	$ 598,093
Gas engines and parts	338,267	183,531
Asbestos milled fibres	170,184	384,516
Bookkeeping, calculating machines and parts	162,996	56,240
Lamps and lanterns of metal	75,625	105,529
Autos, passenger, new, over $1,000	66,990	55,481
Bars, iron or steel	50,919	171,778
Others	414,448	583,350
Total	$2,930,768	$2,623,312

The rather sizable figures under "others" included a wide range of Canadian capital and consumer goods. Among them were canned fruit, vegetables and fish; beer, malt; macaroni; tires; shirts; fishing nets and tackle; paper and newsprint; agricultural and mining machinery; paint; automobiles; shoe machinery; pumps; ink; toys; drugs, synthetic resins; sparkplugs, and aluminum manufactures.

Imports into the Belgian Congo are subject to import licensing but licences are granted freely in most instances. The single-column customs tariff applies equally to imports from all sources, including Belgium.

There is now a monthly direct shipping service between Toronto and Montreal and Matadi, taking 17 days. Its inauguration means more economical, speedier, and more dependable communication between Canada and the Congo, and our exporters should feel the benefit. ●



This large bakery in Leopoldville makes good use of Canadian-grown wheat flour, our leading export to the Congo. Last year we sold almost $900 thousand worth of it to the Congolese and shipments are rising.

How to Visit Communist China

For the businessman who may be thinking of personally cultivating the market in Communist China, here is advice on how to obtain a visa, plus hints to the traveller whose application is accepted.

C. J. SMALL, *Trade Commissioner, Hong Kong.*

AN increasing number of Canadians are looking to Communist China as a potential market, as a source of supply, and as a country with much to interest the tourist. Many are laying plans to visit China, either in search of business or on holiday. But if the prospective visitor does not prepare for his trip well before the time of his departure from Canada, he may be disappointed. The procedure that he should follow is rather complicated and needs explanation.

The Canadian who wants to go to Communist China as a tourist and without a specific invitation from some Chinese organization, or for any purpose other than business, should apply for a visa directly to the Chinese Embassy in London, to one of the other Communist Chinese missions abroad, or to the China Travel Service (H.K.) Ltd., 6 Queen's Road Central, Hong Kong. The application should be made at least three to four months before the desired date of departure from Canada. Within this period the prospective visitor should have a reply to his request. If none is received, he should abandon for the time being his attempt to reach China because when the Chinese do not wish to grant admission, they frequently do not reply to such requests.

Going on Business

For the Canadian who wants to pay a business visit to China, the procedure is somewhat different. As a first step, he should correspond with the Chinese State Trading Corporation responsible for the export or import product or service in which he is interested.* After he obtains a clear indication of the Corporation's interest in his visiting China, he should apply to the Communist Chinese mission in London or elsewhere, providing it with a copy of the Corporation's invitation. When he receives the invitation in advance of the application for a visa, the mission can generally grant this visa fairly speedily and without further reference to Peking. Otherwise, the process may be lengthy and may end either in a refusal or in simply no reply.

To the Fair

For businessmen who wish to visit the Chinese Export Commodities Trade Fair in Canton, the procedure is rather simpler. The fair is held twice a year, in spring and fall. The last Canton Fair took place between April 15 and May 15, 1959, and the next one is slated for October 15 to November 30, 1959. During the Fair, *bona fide* businessmen have no difficulty in obtaining a visa for Canton—and Canton only—after their arrival in Hong Kong. They must have an invitation to attend but they can get this before they reach Hong Kong by corresponding with one of the State Trading Corporations or with their Hong Kong agent, the China Resources Company, Bank of China Building, Hong Kong. It can also be obtained from the China Resources Company after arrival in Hong Kong.

With the invitation in hand, foreign business visitors should proceed at once to the China Travel Service (H.K.) Ltd., 6 Queen's Road Central, Hong Kong, and apply for a Canton visa. They must fill in three visa application forms (listing full passport details, purpose and length of visit, etc.) and supply four passport-size photographs. On any visit to China, it is wise to carry several extra passport photographs to avoid embarrassing delays if at any stage additional copies are needed. The China Travel Service refers all visa applications to Canton, and the necessary permit to visit Canton may be picked up from this organization three or four days later. The actual visa is not placed in the passport until the visitor arrives in Canton. In the same way, he will receive his exit visa just before departure. For this purpose, he must surrender his passport on arrival in Canton; it will be returned before he leaves with the necessary entry and exit visas. Passports,

*For a list of the State Trading Corporations, see article entitled "How to Trade with Mainland China" by C. M. Forsyth-Smith in the February 1, 1958, issue of "Foreign Trade". Copies are available on request from the Department of Trade and Commerce, Ottawa.

On the left of the picture is the Overseas Chinese hotel, where foreign visitors to Canton, and especially those going to the Fair, are usually accommodated. On the right the photograph shows the Chinese Export Commodities Fair main building.

however, need not and should not be surrendered in Hong Kong at the time of applying for a visa. If a visitor wishes—and makes his wishes known to the Chinese officials both in Hong Kong and in China—he may receive his entry and exit visas on a separate piece of paper instead of in his passport. These rules apply to visitors proceeding to other parts of Communist China as well as to Canton.

Outside Canton

On occasion, businessmen have been successful in using the Canton Fair as a stepping-stone to Peking, Shanghai or elsewhere in China. However, invitations to proceed beyond the Fair are the exception rather than the rule and businessmen wishing to visit other Chinese centres should not rely on them. Only in cases where the Chinese consider that special circumstances warrant it will they agree to extending travel facilities beyond Canton at fair time. If the businessman wishes to be sure of travelling to other commercial or industrial centres, he should obtain his invitation before leaving Canada. In such cases, it would probably be wiser to plan the trip for the intervals between the Canton Fairs.

Getting to China

The most popular route to China is via the British Crown Colony of Hong Kong. Hong Kong is readily accessible from east or west by both sea and air, and is served by a Canadian airline operating the fastest transpacific air route via Vancouver and Tokyo. Hong Kong and Tokyo offer both exporters and importers interesting prospects and may be worth stopovers en route to China. At times it is possible to enter China via the Soviet jet air service to Peking from Moscow, which is now connected with London by both Soviet and BOAC air services. Nevertheless, during the recent Canton Fair (which coincided with the Chinese National People's Congress) European businessmen generally were not permitted to travel to Canton by this route and therefore it cannot be counted upon at all times. The visitor may travel within China by rail or by air to most of the major cities. However, beyond the Moscow-Peking air service mentioned above, there is no direct air route to China and visitors entering from Hong Kong must go by rail from there to Canton, changing trains at the Chinese border. When proceeding beyond Canton, visitors must remain there overnight because there are no outward rail or air connections after the Hong Kong-Canton train arrives at four in the afternoon.

Tips for Travellers

The only travel documents the Chinese authorities require are passports and smallpox vaccination certificates. In addition, it is advisable when travelling in the Far East to have immunization against cholera, typhus and TABT.

Financing a trip in China presents no serious difficulties. If the visit is short, such as a brief trip to the Canton Fair, the simplest method when one is entering from Hong Kong is to carry sufficient Hong Kong dollars to cover costs. These may be converted readily into Chinese currency at the border, at the Canton Fair itself, or at hotels in the major centres. Hotels or banks in the main Chinese trading cities will also accept travellers' cheques. Another convenient way of carrying funds is to obtain a circular letter of credit from the Bank of China in Hong Kong en route to China; any unused balance may be reconverted at the end of the journey.

Food in China varies a great deal but as a general rule Chinese food is much better than any Western-style food obtainable and most Western visitors prefer to enjoy justly famous Chinese dishes during their sojourn. Regardless of the style of cooking, the visitor would be wise to confine his eating to hot cooked foods. If he is a coffee lover, he should carry a jar of instant coffee with him. He should not drink tap water while travelling but the hotels will supply boiled water. In the winter months, warm clothes should be carried because even in the south of China the weather can be raw and chilly. In the north, the winters are roughly equivalent to Canadian ones and travellers should be well prepared because buildings are often not heated and certainly not kept at the temperature normal in Canada.

Travel details are usually efficiently arranged by representatives of the China Travel Service in Hong Kong and at the various Chinese centres. This organiza-

tion will also obtain the services of interpreters, automobiles, hotel accommodation and other needs.

Trading with China

Exporters interested in selling to China should write directly to the head office and branches of the Chinese State Trading Corporations located in Peking, Tientsin, Tsingtao, Shanghai and Canton and/or their agents in Hong Kong. These agents are China Resources Company, which represents most of the Corporations; Ng Fung Hong, which represents the China National Foodstuffs Export Corporation, and Teck Soon Hong, Ltd., which represents the China National Native Produce Export Corporation and the China National Sundries Export Corporation. Letters should include a full description of the goods or services offered, a minimum of three to six descriptive brochures and, wherever possible, price quotations on a c.i.f. China ports basis. It is not sufficient to write to the head office alone because the branches retain a considerable amount of autonomy in approaching end-users in China and in placing orders abroad. Copies of correspondence may be sent to the Canadian Government Trade Commissioner in Hong Kong, who is responsible for promoting trade with Communist China and who can then follow up and perhaps advise. As a general rule, Canadian exporters who are prepared to import Chinese goods may be in a better position to promote sales than those who are not. However, for volume sales of essential goods, prices and delivery dates are the prime considerations and the willingness to import Chinese products secondary.

Once initial contact has been established, if the State Trading Corporation has shown sufficient interest in the product offered, a trip to China, following the above rules, generally will pay dividends in terms of contracts. However, such a visit should be planned and organized well in advance and the Trade Commissioner Service in Ottawa will be glad to advise about arrangements. The Chinese Export Commodities Trade Fair referred to above may be worth a visit and a description of this Fair was given in an article entitled "Canton Holds an Export Fair" in the January 31, 1959, issue of *Foreign Trade*.

The procedure for Canadian importers who want to buy Chinese goods does not vary significantly from the above although the Chinese favour foreign importers visiting the Canton Fair to obtain their needs. In any event, Canadian importers would be wise to write to the headquarters of the appropriate State Trading Corporation in Peking and also to the various branches in Tientsin, Tsingtao, Shanghai and Canton. Sometimes one branch is in a position to supply at a time when another is not. •

For further information, see "How to Trade with Mainland China" in "Foreign Trade" of February 1, 1958, and "Mainland China", February 28, 1959.

What Cana

Analysis of the trade figures shows why our exports to Peru are holding up, despite more difficult situation there. Will this trend continue?

W. J. JENKINS,
Assistant Commercial Secretary, Lima.

CANADA'S exports to Peru last year increased by about 12 per cent, or $1½ million, to reach their highest point since 1953. Yet Peru's total 1958 imports declined by 16 per cent. Why did Canada's sales not suffer?

The main reason seems to be that we export to Peru chiefly basic products and not the less essential consumer goods. As the table opposite shows, our shipments to Peru of non-essential foodstuffs and consumer goods went down by more than one-third last year, but those of industrial materials and machinery increased.

Wheat plays an important part in our trade with Peru, although our sales fluctuate from year to year, depending on the Argentine crop and prices and on the U.S. surplus disposal program. It is worth noting, therefore, that Canadian exports of all types to Peru, *excluding wheat,* went up 10 per cent to reach an all-time record of $8.2 million (only $3.4 million in 1950).

Canada ranked as Peru's fourth supplier, although we supplied only 4 per cent of the country's total imports. Forty-seven per cent originated in the United States, 11 per cent in Germany, and 8 per cent in the United Kingdom.

A closer look at the statistics on our exports to Peru reveals some interesting facts, set out in the tables on the next page.

Canada may have difficulty in continuing this gradual upward trend of sales to Peru in 1959. With smaller export earnings from lead, zinc, sugar and cotton, Peru is trying to cut expenditures of foreign exchange on imports. But if they can compete, Canadian suppliers should be able to maintain their sales of essential foodstuffs, industrial raw materials and semi-manufactured goods. Less activity in Peru's mining industry will probably result, however, in a further decline this year in our exports of mining machinery.

It is probable that our sales of consumer goods to Peru will continue their downward trend. The Peruvian Government has recently imposed import and internal taxes ranging from 10 to 25 per cent ad valorem on certain non-essential goods as part of its austerity program in attempting to solve its balance-of-payments difficulties.

ells to Peru

CANADA'S EXPORTS TO PERU BY MAIN GROUPS

	1958 ($'000)	1957 ($'000)	Change from 57-58 %
Foodstuffs			
Basic:			
wheat	3,284	2,688	+18
powdered milk	231	105	+52
Non-essential:			
malt	674	695	− 4
others	37	66	−44
Total	4,226	3,554	+14
Raw materials for industrial use			
wood pulp	525	400	+25
chemicals	252	231	+ 8
resins	89	95	− 6
asbestos	317	319	0
others	54	178	−72
Total	1,237	1,223	+ 1
Manufactured and semi-manufactured			
Industrial materials:			
of iron and steel	32	66	−47
of aluminum	167	124	+30
of brass	19	38	−50
of copper	108	49	+55
newsprint	549	376	+30
others	48	31	+36
Total	923	684	+26
Machinery and parts:			
industrial	2,559	2,247	+15
mining	566	710	−20
agricultural	48	51	− 6
Total	3,173	3,008	+ 6
Consumer goods:			
washing machines	151	182	−17
other	413	669	−39
Total	564	851	−34
Other items:			
fertilizers	719	2	
all others	659	786	−17
TOTAL EXPORTS	11,501	10,108	+12

TOTAL PERUVIAN IMPORTS BY MAIN GROUPS

	1958	1957	Change from 57-58 Imports from all countries
	US$'000		%
Foodstuffs, fats and oils	64,777	65,043	− 1
Chemicals	34,719	35,222	− 1
Paper, wood pulp and manufactures of	7,840	9,890	−21
Textiles	12,197	17,249	−21
Petroleum products	12,601	16,825	−25
Minerals, metals and their manufactures	42,790	58,931	−27
Machinery and equipment	126,481	151,331	−17
Other items	33,377	45,026	−26
	334,782	399,517	

OUTSTANDING GAINS IN CANADIAN EXPORTS TO PERU

	Value $ 1958	1957
Ammonium sulphate	543,887	
Nitrogen fertilizers	175,165	1,960
Newsprint	548,507	375,986
Wheat	3,283,863	2,687,580
Wheat flour	89,093	55,486
Skimmed milk powder	134,828	677
Manufactures of wood	105,291	57,034
Sulphate and sulphite wood pulp	525,361	391,054
Semi-fabricated aluminum	76,257	38,337
Copper tubing	77,795	14,000
Acids	47,688	2,365
Electric meters and parts	12,173	1,422
Iron and steel rough castings	14,295	
Whisky	14,545	6,164
Synthetic resins	20,485	5,481
Spades, shovels and parts	16,704	11,919

OUTSTANDING LOSSES IN CANADIAN EXPORTS TO PERU

	Value $ 1958	1957
Synthetic fibre thread and yarn	38,120	149,861
Synthetic manufactures	68,672	89,238
Toys	8,925	34,933
Fishing tackle	8,439	18,578
Films	66,206	114,521
Soups	6,505	21,581
Mining machinery and parts	565,561	710,465
Commercial fishing nets	234,230	307,951
Mowing machines and reapers	429	14,598
Manufactures of rubber	27,128	47,693
Guns, rifles and other firearms	4,435	21,617
Lamps and lanterns of metal	2,763	39,334
Upper calf leather	9,865	25,054
Iron or steel bars	7,376	18,687

GROWTH OF CANADA'S EXPORTS TO PERU

Year	Canada's Exports to Peru	Canada's Share of Peruvian Market	Canada's Exports of Wheat to Peru	Canada's Exports to Peru less Wheat
		(per cent)		
1950	$ 3,744,353	2.0	$ 341,070	$3,403,283
1951	5,054,137	2.0	180,133	4,874,004
1952	16,404,770	6.7	10,331,805	6,072,965
1953	15,107,628	6.7	8,278,222	6,829,406
1954	5,085,542	2.89	707,560	4,377,982
1955	6,001,263	2.22	377,168	5,664,095
1956	11,337,336	3.3	4,246,079	7,091,257
1957	10,108,193	3.0	2,687,580	7,420,613
1958	11,501,394	4.0	3,283,863	8,217,531

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Fairs and Exhibitions

Canadian Foods Shown in Chicago

CANADA once more wooed Midwestern buyers in the United States specialty food trade when, in early summer, it sponsored a display at an exhibition in Chicago that featured 208 different food products from 39 Canadian firms.

The exhibition, the *International Specialty Food and Confection Show,* from June 28-July 1, was set up at Chicago's Hotel Sherman. Canada's display on the mezzanine floor, in a excellent spot by the main entrance, vied with other national presentations from Italy, Belgium, France and West Germany.

But good locations and attractive presentations aren't enough to make an exhibit a success. G. F. Osbaldeston, Vice Consul and Assistant Trade Commissioner in Chicago, reports that although the staff at the Canadian booth was able to handle most inquiries, they could have done better had more firm representatives been on hand to provide prices, detailed information about the products, and the personal touch so effective in boosting sales.

Trade Opportunities at Dallas Show

CANADA'S Consul and Trade Commissioner in New Orleans speaks of the *Dallas Gift Show,* September 6-10, as "an excellent medium for any Canadian firm interested in introducing its line in the United States Southwest". From 4,500 to 6,000 buyers come from 28 states, Mexico and abroad every year and usually more than 300 firms exhibit. The show is well established (founded in 1935) and is held twice a year, in February and September.

What to exhibit? Silver, china, glassware, jewellery, gift-packaged foods, stationery, housewares of wood, metal, pottery and leather—in short, all the products that appear in North America's familiar and burgeoning gift shops.

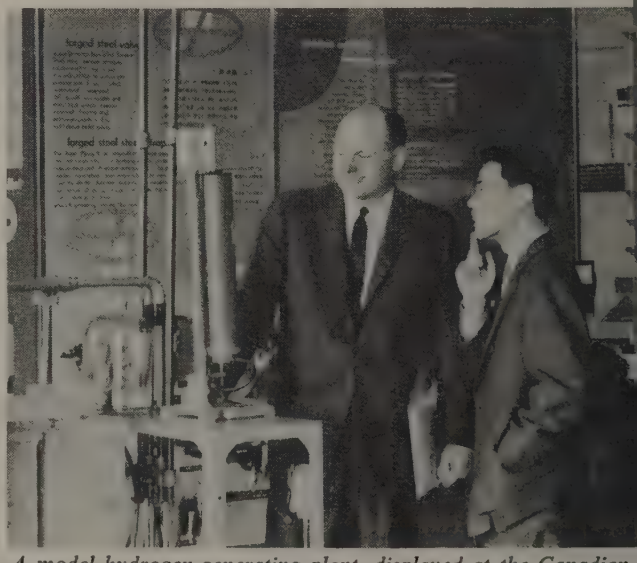
Booth prices at the fair are as follows: a 10 x 10 booth $115, 10 x 20 $175, 10 x 30 $230, 10 x 40 $335, 10 x 50 $410. All booths have three shelves on three sides and shelves and tables are completely draped. Prices include space rental, publicity fee and booth signs.

Giftware manufacturers interested in exhibiting next February may write for more details to T. F. Harris, Consul and Trade Commissioner, 215-217 International Trade Mart, New Orleans 12, or to E. Paul Jones, Director of Exhibits, 534 Merchandise Mart, Dallas, Texas.

Tokyo Fair Draws Two Million

SOME two million visitors—from 75 countries as widely separated as Liberia, Bolivia, Aden, Nepal and Afghanistan, as well as from the United States, the United Kingdom, Mexico, Canada and most European countries—came to the *Tokyo International Trade Fair* from May 5-22.

The Canadian exhibit at the fair, designed to play up our role as a supplier of industrial raw materials, also showed that we are becoming highly industrialized ourselves. But in Japan, as in other countries in which food is the most pressing problem, wheat took the spotlight and 25,000 samples of bread baked from Canadian flour were distributed free to the public. Crowds thronged Atomic Energy of Canada Limited's Theratron Junior, always a big attraction at exhibits



A model hydrogen-generating plant, displayed at the Canadian exhibit at the Tokyo International Trade Fair last May, is explained by a representative of the firm that makes it to a Japanese visitor who is seeking further information on it.

abroad, especially when it is seen in operation. Other products in the big show area included a working model of a hydrogen generating plant, an electrolytic hydrogen cell, diamond drill, tire vulcanizer, airborne automatic direction finder, polio vaccine, chemicals, asbestos fibre, uranium ore and salts, nickel, special steels and other metals, wood pulp, hockey equipment, wheat and wheat products and macaroni. These and other goods sparked no fewer than 1,058 written inquiries. Buyers from all countries numbered 5,780.

Canada Sends Food Display to ANUGA

WHEN we asked the designer from the Canadian Government Exhibition Commission about the cylindrical blue column on his model of the booth for the forthcoming ANUGA fair in Cologne, he replied, "It's a tasting room". So, with curiosity slaked, we duly noted that, in Canada's booth at this, one of the most important food fairs in Europe, from September 26 to October 4, there will be a chance for buyers from at least 60 countries not only to see Canadian foods but to taste them. And there will be a grill, to make the foods that are even more tempting hot, hot!

"We are trying to give an over-all picture of Canadian food production," says the fair's co-ordinator D. H. Burns, of the Department of Trade and Commerce, Ottawa. "There will be some products displayed that we will not necessarily market in Germany, but with the continuing pressure on European countries to ease import restrictions, there will be a few foods on hand that we might call 'hopefuls'."

Mr. Burns gave this brief rundown of the products that will be shown: honey, chocolates, soft drink powders, beer, whisky, cider, canned hams and other meats, canned fruits, fruit juices and vegetables, packaged cake mixes, puddings, peanut butter, nuts, maple syrup and maple sugar. In addition to the foods themselves, there will be large coloured pictures to show the German housewife how the foods will look on her table; pictures of table settings will include such things as fruit salads, cakes, puddings, cider, macaroni and fish. There will also be big, black-and-white photographs of Canadian farms and orchards and of Canadian methods of food marketing, testing and sampling.

Businessmen who plan to visit the fair may write for more information about accommodation and admission to the German-Canadian Trade Promotion Office, Suite 1000, 62 Richmond Street West, Toronto, Ontario.

To Help You Sell in . . .

BELGIUM—Manufacturers of machine tools, consumer goods, and mining and agricultural equipment who wish to test the European market for their goods may exhibit at the *4th International Technical and Industrial Exhibition* at Charleroi from September 15-26, 1960. (Charleroi is the centre of the largest industrial region in Belgium.) Businessmen interested in attending or displaying their goods may write for more information to: Société Coopérative de Gestion du Palais des Expositions, Charleroi, Belgium.

CALIFORNIA—The managing director of the *International Fair of San Francisco* has announced that its inaugural fair is scheduled for June 9-19, 1960, and that it will run for eleven days each June thereafter. Modelled after the trade fairs of Europe, it will be housed in three halls and seven pavilions on the 56-acre grounds of the San Francisco Cow Palace.

RHODESIA—A *Central African Trade Fair and Exhibition* that will cover heavy and secondary industry and agriculture is planned for 1960 in Bulawayo, Southern Rhodesia. The management hopes to make this a permanent annual event. Additional information may be obtained from the Bulawayo Agricultural Society, P.O. Box 1776, Bulawayo, Southern Rhodesia.

Working Models at Engineering Show

A Canadian exhibit, the lone foreign entry at the *1959 Design Engineering Show* in Philadelphia last May, supplemented static displays with at least three excellent working models that attracted scores of serious inquiries. Equipment demonstrated by firm representatives included a semi-automatic assembly die-casting machine, a Mimik tracer, and an automatic positioning machine. Twenty-six Canadian firms contributed products and 21 representatives were on hand to help staff the exhibit.

In such a highly specialized exhibition of mechanical, electrical and electronic equipment and components, admission was limited to the American Society of Mechanical Engineers, to those employed in the design engineering industry, and to registered buyers. From this rather restricted group came 394 inquiries for Canadian engineering products; 308 were taken on the spot by the manufacturers' representatives themselves.

These Fairs Are Coming Up

AUSTRIA—*International Fall Fair,* Vienna, Sept. 6-13.

BRITAIN—*World Trade Fair,* London, Sept. 22-Oct. 3.

DENMARK—*International Fisheries Fair,* Copenhagen, Sept. 25-Oct. 4.

FRANCE—*International Office Equipment Fair,* Paris, Oct. 15-25.

INDIA—*World Agriculture Fair,* New Delhi, Dec. 11-Feb. 14, 1960.

NETHERLANDS—*International Horticultural Exposition,* Rotterdam, Mar. 25-Oct. 1, 1960.

PERU—*Pacific International Trade Fair,* Lima, Oct. 1-18.

SWITZERLAND—*Comptoir Suisse,* Lausanne, Sept. 12-27.
Swiss Industries Fair, Basel, April 23-May 3, 1960.

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Supplying Fibres to the Belgian Stocking Industry

. . . could be profitable for Canadian manufacturers of certain types of synthetic hosiery yarns. Increased sales (local and export) and rising domestic consumption in Belgium point to bright future for the industry.

L. H. AUSMAN, *Commercial Counsellor, Brussels.*

CANADIAN natural-silk stockings enjoyed a small market in Belgium before the last war; in 1938, imports were valued at $16,000 or about 10 per cent of Belgium's purchases from all sources. Immediately after the war, nylon, which had been developed in North America, came quickly into fashion and Belgium imported socks and stockings of synthetic fibres from Canada worth $187 thousand in 1946. Canadian sales fluctuated during the next five years between $83,000 and $12,000, but after 1952 dropped off to practically nothing. There have been no imports from Canada in recent years.

Production Pattern Changes

Two things have caused the loss of this market: one, the introduction of nylon yarn into Belgium and two, the development of the domestic stocking industry, which switched from rayon to nylon. Moreover, over-production has become a problem and has been particularly marked during the past two years. Capacity totals about two million dozen pairs, of which 300 thousand dozen are in excess of domestic requirements. Over-production also affects the European countries that compete on the Belgian market.

PRODUCTION OF STOCKINGS IN BELGIUM

(thousand dozen pairs)

	Made from nylon or other synthetic yarns		Made from rayon	
	Fully fashioned	Seamless	Fully fashioned	Seamless
1953	1,104	44	79	13
1954	1,371	57	70	13
1955	1,695	61	10	13
1956	1,926	51	3	4
1957	1,794	67	1	21
1957 (10 mos.)	1,551	55.8	0.3	8.3
1958 (10 mos.)	1,318	119.7	0.1	3.5

The Belgian stocking industry concentrated originally on the fully fashioned lines. Now, with improvements in circular-knit processes, demand for seamless stockings has risen. The table below, right, shows the change that is taking place.

The accompanying statistical summary of the nylon stocking industry for 1957 and 1958 shows that, although production fell last year, sales increased, as did exports, imports, and domestic consumption. Excess stocks of fully fashioned hosiery continued to be absorbed, and the surplus dropped from 467,907 dozen pairs at the end of 1957 to 394,887 dozen at the end of 1958.

NYLON STOCKING PRODUCTION IN BELGIUM

	1958	1957	% increase or decrease over 1957
Production	(thousand dozen pairs)		
Fully fashioned	1,591	1,794	— 11.3
Seamless	149	67	+122.4
Total	1,740	1,861	— 6.5
Sales (domestic and export)			
Fully fashioned	1,660	1,703	— 2.5
Seamless	135	60	+125.0
Total	1,795	1,763	+ 1.8
Domestic consumption			
All kinds	1,596	1,428	+ 11.7
Exports			
All kinds	655	634	+ 3.3
Imports			
All kinds	452	310	+ 45.6

By the end of the war there was a pent-up demand in Belgium for stockings made from the new wonder fibre. The quality of imported silk stockings was not particularly good and dollars were available. Therefore, during the first few years after the war imports from North America rose to more than 600 thousand dozen pairs a year.

Yarn Imports Controlled

Belgian manufacturers of rayon stockings clamoured for supplies of nylon yarn and the American holders of the patents, through their French associates, licensed

the sale of the yarn to Belgium. By 1953 the manufacturing rights for the yarn were extended to a Belgian firm that has since held the monopoly. From that period the import of both stockings and yarns began to decline as the domestic industry expanded.

Under the licensing arrangements, not only was the import of nylon yarn prohibited but also the import of polyamide raw materials and the manufacture of synthetic fibre yarn by methods covered by Dupont patents. Earlier this year the original patents on the polyamides fell into the public domain but the rights on processing and importing nylon (polyamide 66) yarn continue in Belgium until 1966. Although the import of the basic materials is now permitted, it can only be used in processes not covered in Belgium by patent rights. Nylon yarn therefore cannot yet be imported and local production meets local needs. There may, however, be opportunities for Canadian manufacturers of special types of synthetic fibre yarns not covered by patents to enter the Belgian market. A list of Belgian stocking manufacturers is on file in the Department of Trade and Commerce, Ottawa, and interested firms may write for a copy.

Stocking Imports Rise

Although there has been and still is over-production of nylon stockings in Belgium, there have been some imports, mainly from the Netherlands, Italy, Germany, France and a number of other countries. Canada does not appear among the suppliers after 1955. The following figures show the sources of most of the imports:

BELGIAN IMPORTS OF FULLY FASHIONED AND SEAMLESS NYLON STOCKINGS

	1958	1957	1956	1955	1954
	(thousand dozen pairs)				
Total	452	315	301	265	197
Principal Suppliers:*					
Netherlands	279	204	201	169	119
Italy	81	18	9	7	6
West Germany	49	41	37	31	24

*France supplied 27,000 dozen pairs in 1958 and the United Kingdom 5,000.

Belgium buys most of her nylon stockings from the Netherlands, but the amount is less than half what she sells to that country. Imports account for about 30 per cent of home consumption compared with only 15 per cent in 1954. Exports, on the other hand, represent 43 per cent compared with 23 per cent in 1954.

Because of the Benelux Agreement, stockings from Belgium enter the Netherlands free of duty and vice versa. For imports from other countries the Belgian duty is 24 per cent, reduced by 10 per cent. For France, Germany and Italy this rate will be cut still further under the terms of the Common Market Treaty. The rates of duty in other Common Market countries are about the same.

Price movements give some indication of the decline in the Belgian stocking industry. As far back as 1955 and 1956 manufacturers had to make concessions to meet competition from abroad and prices have since drifted lower; the average price of exports to the Netherlands fell from about $7.10 per dozen pairs in 1954 to $4.96 in 1958, a drop of more than 30 per cent.

Italian competition has been particularly severe, with prices averaging $4.30 per dozen pairs during the first nine months of 1958, compared with $7.78 and $5.20 for the same stockings from Germany and the Netherlands. French prices climbed as high as $8.86 last year.

Several international conferences were held in 1958 by the European stocking manufacturers to study problems confronting the industry. In addition to prices, these conferences considered matters affecting the industry in general and received assurances that export prices would be maintained at a normal level.

It is clear, however, that local production, tariffs and prices are such that there is not, and cannot conceivably be, a market for Canadian nylon stockings in Belgium. Canadians could, however, gain a share of the trade in some types of synthetic yarns.

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Argentina, Australia, Austria, Belgian Congo, Belgium, Brazil, Chile, Colombia, Costa Rica, Cuba, Denmark, Dominican Republic, East Africa, Egypt, El Salvador, Finland, France, West Germany, Ghana, Greece, Guatemala, Haiti, Honduras, Israel, Italy, Japan, Mauritius, Mexico, Netherlands, Netherlands Antilles, New Zealand, Nicaragua, Norway, Panama, Peru, Portugal, Spain, Surinam, Sweden, Switzerland, United States, and Venezuela. The United Kingdom certificate of origin requirements and other conditions under which Imperial Preference is granted are covered by Notice No. 27 A issued by the United Kingdom Commissioner of Customs and Excise.

Other pamphlets issued by the Branch include "Requirements for Shipping Documents in Latin America" and "Import Control Regulations and Tariff Treatment of Canadian Goods", both brief summaries in tabular form, and an outline of "Tariff Preferences for Canadian Goods Abroad." For copies of any of these pamphlets, readers should write directly to the Branch. Data on other countries will be compiled from time to time and they will be added to the list.

Britain Becomes Bigger Buyer of Canadian farm products,

as grain and flour purchases rise, more commodities are placed on Open General Licence, and dollar quotas for others are boosted. Here is the current picture of U.K. farm production and imports.

B. M. FILLMORE,
Office of the Minister (Commercial), London.

CANADIAN exporters of agricultural products should find enhanced opportunities in the British market in coming months. A number of foods have been placed on Open General Licence—that is, the restrictions on dollar purchases removed entirely. (See article in *Foreign Trade* of June 20, 1959.) In addition, in June the British Government announced new dollar quotas for various agricultural products for the coming year and these quotas increased the previous allocations. But as the market opens up, competition in turn becomes greater.

It might be useful before discussing opportunities in the United Kingdom in detail to take a look at domestic production there, because it determines to some degree the pattern and volume of imports.

Poor Growing Season

The 1958/59 season turned out to be one of the wettest on record. Rainfall was above average for most of the spring, summer and fall, and sunshine was lacking. The harvest proved difficult and prolonged but the final production was better than the farmers expected. Grain crops were larger than in the previous year though poorer in quality, milk production was down, and grass quality not as good. Potato blight was the worst on record. On the brighter side, the apple harvest proved to be the biggest in years. The livestock industry continued to emphasize beef production and sheep numbers went up sharply. The broiler industry expanded rapidly.

Grain Crop Analyzed

The number of acres planted to wheat, oats and barley in England and Wales in 1958 went up by 146 thousand over the previous year.

They were divided as follows:

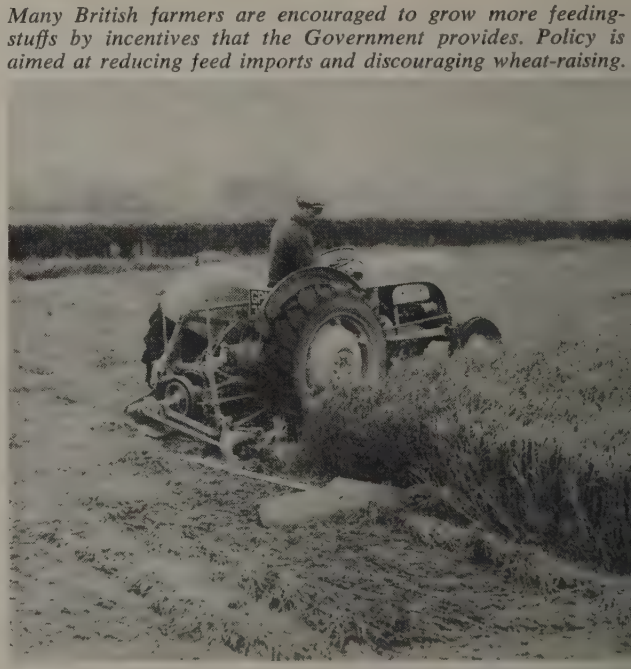
Wheat	2,115,000 acres
Barley	2,506,000 "
Oats	1,247,000 "

The bad weather, however, cut down the expected rise in grain production. The wheat harvest, at 101 million bushels, was only slightly above the previous year; barley, at 148 million bushels, was up 10 million and oats, at 141 million, slightly down.

Canadians Sell More

More Canadian grain found its way to the United Kingdom market last year. Though the British bought only 168.6 million bushels from all sources, Canadian shipments went up from 79.4 to 89.5 million bushels. The United States, Argentina and Australia all sold less to the U.K. than in 1957, but France and the U.S.S.R. increased their share of the market. During the first four months of this year, wheat imports, at 62 million bushels, were 9 million greater than in the same period of 1958. Canadian sales, at 27.3 million bushels from January to April 1959, were also

Many British farmers are encouraged to grow more feeding-stuffs by incentives that the Government provides. Policy is aimed at reducing feed imports and discouraging wheat-raising.



larger and represented 43 per cent of total British imports.

Barley imports in 1958 also increased by nearly one-third, with Canada supplying 43.6 million bushels, or 70 per cent of the total, almost double shipments for 1957. This dominance of the market became more pronounced in January-April of this year, with sales to Britain of 15.2 million bushels out of total U.K. purchases of 18.5 million. British purchases of oats last year reached 11 million bushels, triple those of 1957; Canada supplied one-third, approximately 3.7 million bushels, about three times the quantity shipped in 1957.

The British Government continues to provide maximum incentives for domestic production of feed grains to cut down on the use of imported feedingstuffs and also to discourage wheat growing because of world surpluses.

Flour Imports Rise

Imports of flour into the United Kingdom, which had been declining, rose again in 1958 to 372 thousand tons, up 34,000 over 1957. Canada shared in this gain, with sales up from 232 thousand tons in '57 to 267 thousand in '58, thus obtaining 71 per cent of the business. This trend continued in the first four months of this year: total imports were up from 97,000 to 127 thousand tons and Canadian shipments, at 89,000 tons, were up 10,000 tons.

Dairy Production Drops

The excessive rain in the 1958/59 season affected the quality of grass and was the main factor in the drop in milk production in Britain; the growing emphasis on beef production also contributed. Last year milk production dropped by 58 million gallons to 214.2 million. In response to a promotion campaign, fluid milk consumption went up, but it became necessary to curtail output of butter, cheese and milk powder. This happened at a time when English cheddar and other "county" cheeses were being extensively advertised; prices rose sharply and the price differential between English and Canadian cheddar narrowed considerably. The market has remained very firm during the period of relative shortage and last year prices for Canadian cheese remained at about 320/- to 330/- per 112 lb. ($38.80 to $40.00 per 100 lb.). English and Scotch cheddars rose to about 300/- ($36.02) and New Zealand to about 306/- ($36.29). This year, however, while English, Scotch and New Zealand maintained their levels, Canadian cheddar prices again moved up and have been quoted as high as 355/- ($42.94).

Canadian Cheddar Allocation Up

Since 1954, Canadian cheddar has been imported into the United Kingdom under an annual quota of £1½ million; last year, reflecting the tight supply situation, the allocation was raised to £2 million. Now controls have disappeared and Canadian cheddar may be imported without restriction. Unless there is more cheese available for export from Canada, the new freedom is not likely to result in an immediate or substantial increase in shipments. Nevertheless Canadian shippers should continue to concentrate on sending only the highest-score cheese to retain their established reputation. With the shortage of other cheeses and the narrowed price differential, more people have bought and liked Canadian cheese. Last year consumption in Britain, at nine pounds per person, showed little change.

Production of British cheddar and Dunlop dropped from 136.9 million lb. in 1957 to 111.6 million last year. The 1959 spring flush developed fully in June but figures on milk use are only available up to April; according to these, butter and cheese production are still down but advance figures for the January-June period suggests that cheese output is receiving preference.

Imports of cheddar from Commonwealth countries totalled 210.6 million lb. in 1958, of which Canada shipped 15 million; the year before Canada supplied only 7 million lb. out of total United Kingdom imports of 225 million. Statistics for the first quarter of 1959 show imports rising, mainly because of Australian supplies; Canadian cheddar exports to Britain in this quarter reached 561 thousand lb.

"Add an Egg" Pays Off

National promotion and advertising carried on by the Egg Marketing Board using the slogan *Add an Egg*, has stimulated egg consumption in Britain but is achieving this almost entirely from home production

Market in Britain Widens as . . .

- *Canadian cheddar cheese may now enter without restrictions.*
- *Canadian shell eggs permitted entry, after some years of exclusion. Imports of egg products also freed.*
- *Allocation for imports of fresh apples from the Northern Hemisphere maintained at 1.5 million cwt.*
- *Quota for canned and bottled apples raised to £800 thousand for the Northern Hemisphere.*
- *Quota for canned fruit from dollar area (peaches, pears, apricots, fruit salad) increased to £3.2 million c.i.f.*
- *Similar quota of £3.2 million established for dried fruits (dried apples included), an increase from former £2.75 million.*

at the expense of imports. Production in 1958 rose to nearly 660 million dozen, but imports remained low at some 13.7 million dozen. Consumption last year reached an estimated 227 eggs per person.

Canadian shell eggs, excluded from the United Kingdom market since the immediate postwar years, may now be imported without restrictions. Eggs retail from about 3/6d. per dozen (47 cents) for large fresh eggs at the flush season in March/April to 5/6d. to 6/- (74 to 81 cents) in November and December.

Egg Products Freed

Egg products may now be imported from Canada without restriction. Frozen whole-egg imports into the United Kingdom have risen consistently in the past few years and in 1958 totalled 21.8 thousand tons. The bulk came from Communist China, with substantial shipments also from Australia. Dried whole-egg imports have gone down in recent years and last year totalled 1,500 tons; dried albumen imports amounted to 519 tons, continuing a pattern of decline since 1955. Frozen albumen imports in 1958 totalled 3,000 tons, about average in the past few years. The Chinese products have so far predominated in all these categories.

Meat Production

A small rise in meat output in Britain last year was more than offset by a drop in imports. In the first quarter of 1959 both home production and imports decreased compared with the same period of the year before. The Government's continued emphasis on beef production is intended to alleviate what now appears to be a long-term shortage of beef from home and overseas sources. However, imports of carcass meats are still confined to non-dollar countries and there is little prospect of an early change in this policy.

Greater Scope for Canadian Fruit

Because of high humidity at blossom time, apple crops in Britain (and other parts of Europe) achieved a record last year, in contrast to the short crops of 1957. The 1958 dessert crop reached 13 million bushels, of which 4.8 million were Cox's Orange. Cooking varieties accounted for 21.8 million bushels. Despite heavy supplies, prices for Canadian apples were not unduly depressed and after high prices at the opening sales of the season, they settled at about 40/- ($3.42) per carton indicating that, despite the quantity available, consumers prefer colour and uniformity of grading.

Under more liberal import arrangements and the establishment of a Northern Hemisphere quota, Canada (and the United States) can now compete with Europe for a share of the amalgamated quota of 1.5 million cwt. A maximum of 300 thousand cwt. of this allocation can arrive in the period July-December; this gives Canadian exporters considerable scope.

Imports from Canada and the United States in the 1958-1959 season, the first under the new arrangement, totalled 970 thousand and 570 thousand boxes respectively. This was 40 per cent of the combined quota allowed from North America and West European countries (mainly Italy).

All kinds of fresh fruit (except apples, pears and citrus) can now be imported into the United Kingdom free of restrictions—for example, peaches. There will be strong competition from European countries and Canadian producers should try to capture the quality market. Fresh pears can also be imported under a Northern Hemisphere weight quota of 480,000 cwt.

Fresh, frozen and canned vegetables have also been freed from import control; here the main competition will be from the large British processing industry, and from Swedish, Danish and Dutch shippers.

Canadian processors of canned and bottled apples now have the opportunity of competing for an enlarged Northern Hemisphere quota of £800 thousand c.i.f. The British hotel and catering trade might well become customers if prices are competitive with Dutch, Belgian and Irish quotations.

The quota for canned fruits from the dollar countries (such as peaches, pears, apricots, fruit salad) has been raised by £1 million to £3.2 million c.i.f. There is a similar quota of £3.2 million for dried fruits, which can include dried apples.

In 1958 Britain imported 1.7 million cwt. of canned peaches; Canada supplied 14,210 cwt. Imports of canned pears totalled 906 thousand cwt., of which Canada shipped only 7,836 cwt. Fruit salad imports reached 251,700 cwt.; Canadians sold 2,116 cwt. The proportion of total imports supplied by Canada continued to be small in the first quarter of 1959 and Australia and South Africa remained the primary suppliers of these items for British tables. Furthermore, the home canning and processing industry is expanding rapidly and is combining to produce a surplus of canned fruits, particularly standard grades. To secure any increase in their hitherto small share of the market Canadian exporters should concentrate on choice and fancy grades only.

General Groceries Field

The removal of import restrictions on a number of other food items means that, in theory, Canada can enter the general grocery field in Britain. The placing of North American canned salmon on Open General Licence last fall resulted in a considerable rise in shipments to Britain: 237,092 cwt. were exported to the United Kingdom in 1958, compared with 89,212 the year before. Supplies are expected to be shorter in the latter part of 1959 because it is not a peak salmon-cycle year; prices have already begun to rise. Nevertheless, with completely free trade the grey market has disappeared and prices will now fluctuate normally with supply and demand.

Other products that have been completely liberalized are honey, frozen beef tongue, all canned fish, canned soups, chutney, pickles and sauces, nuts, cereal breakfast foods, biscuits, cakes, chocolate and sugar candy, coffee and macaroni products. Canadian honey sells readily in Britain but on a quality basis; supplies are, however, limited because Canada is a net importer. The canned fish market is extremely competitive both because of the growing home industry and imports of Scandinavian products; Britain exports a good deal of her own production. There might be scope here for Canadian canned fish specialties that are relatively unknown and the same statement applies to most of the other food products now liberalized.

Although liberalization has taken a big step forward, it is not yet complete and some products are still excluded from the British market. The nature of the foods so far freed from restrictions does not suggest that there will be large increases immediately in shipments of Canadian food products to Britain. However, the opportunity to get a foot in the door ought to be seized. There is greater scope now, however, for Canadian exporters of processed fruit to get a larger share of the North American allocation. ●

Malayan Market Opens Up

Removal of import restrictions puts Canadians on equal footing with other traders in Federation of Malaya and Singapore. Here is advice on what sells well in this area.

B. C. STEERS, *Assistant Trade Commissioner, Singapore.*

FOR the first time since the re-opening of markets in the Federation of Malaya and Singapore to international trade at the war's end in 1945, Canada can now trade here on equal terms with countries in the sterling area and Western Europe. In parallel statements on July 14, 1959, the Governments of both these territories announced the complete removal of existing restrictions on the direct import of dollar goods, with effect from August 1, 1959. Most arrivals from the dollar area on this date and thereafter will be allowed in under Open General Licence. The few exceptions must enter under specific licences but these will be issued freely.

Few Goods Still Licensed

From the first of August, regulations in these countries affecting exporters of Canadian goods will be the same as those governing products from the OEEC countries of Western Europe. The regulations differ from those controlling the entry of goods from the Commonwealth other than Canada only in that freely issued licences will be required for:

(1) Arms and ammunition. Police regulations will continue to control trade in these commodities from all sources

(2) Motor cars or trucks, passenger or commercial, new or secondhand

(3) Radio receivers, domestic

(4) Watches.

Larger sales of Canadian products in Singapore should be assisted by the second aspect of the relaxation —permission to re-export dollar goods freely from Singapore. Until now, local businessmen engaged in entrepôt trade were restricted in re-exporting dollar goods. This aspect of the new ruling is significant for Singapore, a city state that has traditionally earned much of its living by buying from the world and reselling to South East Asia. Singapore traders have good connections throughout this area and will now be able to sell dollar goods through these channels. Opportunities for Canadian products in parts of Thailand, in Burma, and to some extent in Indonesia will thus be broadened.

This complete liberalization of dollar control, it has been announced, is possible because of the improved position of sterling and the recent action by the United Kingdom Government in allowing free convertibility of non-resident sterling holdings into any currency, including Canadian dollars. The new step is also in accord with the undertakings given in September 1958 at

CANADIAN AND U.S. EXPORTS VIA HONG KONG TO SINGAPORE AND THE FEDERATION OF MALAYA

January to December, 1958

(in Canadian $ c.i.f.)

Commodities	Canada	U.S.
Meat and meat preparations	$ 30,500	$ 831,650
Dairy products	1,141	84,800
Fish and fish preparations	28,800	26,450
Cereals, cereal preparations	7,524	140,890
Fruits and vegetables	27,300	1,250,760
Sugar and sugar preparations		128,586
Coffee, tea, spices, etc.	676	67,842
Animal feedingstuffs		34,607
Miscellaneous food preparations	2,321	275,540
Beverages	7,680	14,376
Tobacco and manufactures		4,318,337
Oilseeds, nuts, kernels		114
Crude rubber, all types	75,800	13,105
Pulp and waste paper		842,100
Crude minerals, etc.		635
Crude materials, n.e.s.	40,700	260,590
Mineral fuels		9,880
Oils, animal and vegetable		970
Chemical compounds	45	237,160
Mineral tar, etc.		1,830
Dyes and colours	757	410,000
Medicinal products	524	1,075,000
Perfume, toilet preparations		2,201,300
Fertilizers, manufactured		537
Chemical products, n.e.s.	84,728	250,100
Leather products, n.e.s.	1,270	9,600
Rubber manufactures, n.e.s.	24,900	81,400
Wood and cork manufactures, n.e.s.	10,000	38,800
Paper and paperboard	223	93,250
Textile manufactures, n.e.s.	9,923	4,745,200
Non-metallic mineral manufactures	4	69,000
Gems and jewellery	52	30,700
Base metals	578	49,300
Manufactures of metals	3,945	197,600
Machinery, non-electric	21,066	891,000
Electric equipment	5,539	389,944
Transport equipment	724,789	185,100
Sanitary, lighting manufactures		45,778
Furniture and fixtures		65,950
Travel goods		41,125
Clothing	14,490	1,257,696
Footwear		1,612
Scientific instruments	13,717	695,255
Miscellaneous manufactured articles, n.e.s.	22,011	3,319,216
Special transactions	583	91,034

the Commonwealth Trade and Economic Conference in Montreal, to which the Federation of Malaya sent delegates.

Formerly Canadian products that could not be directly imported could be exported to Singapore via Hong Kong. This process (which did not entail offloading in Hong Kong) added anywhere from 5 to 7 per cent to the cost of the goods to the Singapore importer. The new ruling will therefore improve immediately the competitive position of Canadian products.

In 1958 the value of Canadian products shipped to Singapore and the Federation of Malaya via Hong Kong totalled approximately C$1.2 million. Two-thirds of this total was made up of transport equipment, mainly automobiles. However, chemical products, synthetic rubber, power lawn-mowers, clothing, meat, fish and other foods contributed significantly. A look at what the United States—subject to the same local rules of trade as Canada—has been able to sell through Hong Kong will suggest where Canadian exporters might be able to expand sales. Total U.S. sales through Hong Kong to Singapore and the Federation of Malaya in 1958 reached over C$24 million. The table on the left shows the extent of U.S. penetration of the local market via Hong Kong in 1958, with comparative Canadian exports via Hong Kong for the same period.

Reassessing This Market

If your firm manufactures products in the above list, you may find it of value to re-examine your position if you are not already exporting to these thriving markets. They are highly competitive and price-conscious but worth considering—in 1958 they imported a total of C$1.35 billion worth of goods. The above table is in no way intended to suggest that export possibilities are limited to the commodities mentioned. Indeed the markets here are wide open to the whole range of products suited to a tropical and industrially underdeveloped area. With the opportunity to sell in competition with all other suppliers for the first time in the postwar era, good groundwork and effective pricing can make Canadian trade names familiar once again to the Malayan consumer.

Dutch Hold Small Business Seminar

A five-day seminar will be held late this summer in Delft, the Netherlands, on the "Small and Medium-sized Industry in the European Common Market". Opening August 31, the international meetings are being sponsored by the Dutch Research Institute for Management Science. All lectures are to be given in English.

Topics for discussion will include the commercial, technical, social and financial aspects of dealing with the new Common Market area and papers on export problems of countries outside the Common Market may possibly be presented.

Commodity Notes

Aircraft Engines

FRANCE—France's state-owned SNECMA (Société Nationale d'Études et de Construction de Moteurs d'Aviation) and the Pratt & Whitney Division of United Aircraft Corporation of the U.S. have reached an accord on the production of turbojet engines in France.

Under the new agreement, SNECMA will build Pratt & Whitney J.T.4 model engines in France. These engines power the American four-engined jet airliners, the Boeing 707 and the Douglas D.C.8—Paris.

Aluminum

AUSTRALIA—Australian Aluminium Ltd. is extending its manufacturing activities to Victoria with a £500 thousand plant to be erected at Campbellfield. Work will begin immediately on the installation of a large modern extrusion press and ancillary equipment for producing aluminum sections, rod, bar and tubing. Establishment of the Victorian plant will proceed concurrently with a £3.5 million expansion of the company's rolling mill at Granville, N.S.W., planned for completion in mid-1960—Melbourne.

Chemicals

PERU—A subsidiary of W. R. Grace & Co. is constructing a chemical plant in northern Peru at a cost of over $8 million. Initial production, scheduled for the middle of 1960, will include caustic soda, chlorine, hydrochloric acid and other derivatives of chlorine. The plant will be partly financed through an Export-Import Bank loan guaranteed by Peru's major paper mill. This mill, also a W. R. Grace & Co. subsidiary, will use part of the new chemical plant's output—Lima.

Coffee

BRAZIL—According to the Brazilian Coffee Institute, 1,181,410 bags of coffee were exported during May, bringing total exports during the first five months of the year to 6.7 million bags—São Paulo.

Copper

CHILE—Production of the three large copper mines in Chile for the first five months of 1959 totalled 201,277 metric tons, compared with 145,321 metric tons for the same period in 1958—Santiago.

Fertilizers

BRAZIL—Brazil's expansion of agricultural production and its shortage of phosphorous and calcium call for large imports of chemical fertilizers. Foreign purchases totalled 548 thousand tons in 1957, valued at over US$32 million—Rio de Janeiro.

Fish

NORWAY—The transport of fresh fish by air direct from fishing grounds to large consuming centres has recently been started in Norway. Fish transported in this way are being sold at the same retail price as other fish. If the experiment proves successful, it is planned to ship fresh fish by air regularly from Norway to several European countries, mainly Sweden and Switzerland. The project is being operated jointly by the Norwegian Live Fish Organization and a recently formed air-transport company called Air-Lift—Oslo.

Flour

VENEZUELA—A flour mill, Grandes Molinos de Venezuela S.A., (Gramoven), built with the technical and financial assistance of the Argentine company, Bunge & Born Ltda., was formally opened May 14. The twenty-million-bolivar mill occupies a twelve-storey building and is fitted with the most up-to-date equipment on the continent. Initial daily production is 7,000 sacks of flour (94,600 tons per year) and represents 50 per cent of Venezuela's total consumption, estimated at four million sacks per year. In addition to flour, the factory will have a daily output of 135 thousand kilograms of byproducts for use as animal feeds. The company's elevators can store 13 million kilograms of wheat—Caracas.

Fur Auction

NORWAY—The last fur auction of the season was held in Oslo from May 20 to 23. Only 21,673 mink skins were offered for sale (compared with 28,845

last year) plus 500 fox skins of various kinds. The quality of the mink pelts was not as high as earlier in the season and practically the entire collection was sold at slightly lower prices than those fetched at the previous auction held in March. Mink offers comprised the following (corresponding 1958 figures in brackets): dark mink 6,707 (7,646), pastels 7,663 (14,834), topaz 1,541 (nil), silverblues 985 (2,595), sapphires 2,554 (3,770), palomino 405 (nil) and white mink 1,818 (nil)—Oslo.

Matches

SWEDEN—Bryant & May Ltd. of Britain and Sweden and Svenska Tändsticks AB are to build a factory in Argentina to make safety matches. The Argentine President has approved an investment of kr.369,650, according to a correspondent in Buenos Aires—Stockholm.

Oil

BRAZIL—The Esso Corporation, an affiliate of Standard Oil of New Jersey, has announced that it has reached agreement with the Brazilian Government to refine some 28 million barrels of Brazilian crude at its refinery in Aruba, Netherlands West Indies. The three-year agreement was made with Petrobras, the national petroleum company. After three years, Brazil's new refineries should be able to handle the output of the Bahia oilfields. Esso also announced that Brazil will import 80 million barrels of crude from Venezuela over a period of six years—Rio de Janeiro.

Polyvinyl Acetate

SWEDEN—A new factory in Perstorp for the production of polyvinyl acetate and owned by the Swedish firm Skanska Attikfabriken has been opened. It is the first of its kind in Scandinavia. Sweden has been importing approximately 10 million kronor worth of PVA each year.

The new factory has a rated capacity of 2,500 tons per year, with an estimated value of 5 million kronor. The Swedish factory is co-operating with the British company, Vinyl Products Ltd.—Stockholm.

Pulpboard

ARGENTINA—A new pulpboard factory capitalized at 120 million pesos is to be built in Campana, Province of Buenos Aires, by Okal Argentina Soc. Anon. Ind. y Com. The plant is expected to be in operation by October 1960—Buenos Aires.

Pyrethrum Extract

BELGIAN CONGO—The Congo Government is to establish plants for extraction of pyrethrum; to date the dried flowers have all been exported. In order to assure quality control, extracted pyrethrum is to be subject to export licensing, commencing July 1, 1959. Licences will be issued by l'Office des Produits Agricoles du Kivu at Bukavu and Goma in the Eastern Congo. An export tax for revenue purposes of B.C.fr. 67.50 per 10 kilos or part thereof has been approved by the Collège Consultatif and will be collected once licensing has begun—Leopoldville.

Rubber

BRAZIL—Nearly one million rubber trees are to be planted in the municipality of Una, state of Bahia, by Dunlop do Brasil, and initial work is already under way. This is part of a plan to make Brazil self-sufficient in rubber. In 1958 the country used over 40,000 tons of rubber, over 15,000 tons more than it produced —Rio de Janeiro.

Sugar

VENEZUELA—Lower prices and higher wages, plus adverse weather conditions, have caused a crisis in Venezuela's sugar industry. A total of 25,000 tons of unrefined sugar has been imported this year and a further purchase of 15,000 tons is expected before the end of 1959. Venezuela's annual sugar consumption normally totals 200 thousand tons. Imports are foreseen for 1960 and 1961 to compensate for the smaller local production over the last three years—Caracas.

Tires

FRANCE—The Goodyear Tire and Rubber Co. of Akron, Ohio, already in the Common Market area with a factory in Luxembourg and a joint production arrangement in West Germany, is spending $7 million on construction of a plant in France. The new factory will employ about 500 and have an initial capacity of 15 million pounds a year—Paris.

Washing Machines

BRAZIL—Since 1955, 108,250 washing machines have been made in Brazil. Present production capacity is estimated at 200 thousand a year. Production figures for the last four years are: 1955, 10,000; 1956, 16,000; 1957, 27,250, and 1958, 55,000—Rio de Janeiro.

Wood Pulp

AUSTRALIA—The State of Tasmania is hopeful that bulk experiments now being made with Tasmanian wood will lead to the establishment of another pulp industry. Initial experiments by Australian Paper Manufacturers Pty. Ltd. Victoria, with 900 tons of eucalypts have produced more than 200 tons of pulp. The company will investigate further before deciding whether the industry should be set up; it would be located in the Esperance municipality—Melbourne.

What Jamaica's Shoemakers Buy

With 13 shoe factories operating and markets widening, Jamaica ranks as a good outlet for shoemaking supplies. How and what do they purchase?

HOWARD E. CAMPBELL,
Trade Commissioner, Kingston.

JAMAICA'S fast-growing footwear industry offers worthwhile opportunities for Canadian exporters of shoemaking materials. Last year the industry imported $2 million worth of raw materials, of which about $300 thousand worth was supplied by Canada. The accompanying table shows the sources of most of the materials.

None of the 13 shoe factories in Jamaica could be considered large by North American standards, but three of them produce over 200 thousand pairs a year. About one-third of the smaller factories could best be described as enlarged cobbling operations. Production from all plants totalled 926 thousand pairs of men's, women's and children's shoes in 1958.

Most of the men's shoes in Jamaica are of the casual (loafer) type with micro-cellular soles. Most plants use staple-welt construction, though limited quantities of Goodyear welt-constructed oxfords and boots are produced in the three larger plants. These plants use as upper leathers seconds and thirds of plump weight, ranging between 3½ to 5½ ounces. The leathers are not conditioned with steaming and mulling before being lasted. Factory prices for the 246 thousand pairs of men's shoes turned out last year ranged from $3.00 to $8.00 per pair.

In a Jamaican shoe factory, a worker stitches Canadian welting to the upper part of a shoe. Upper leathers in the half-finished shoes in the foreground also were obtained from Canada.

California-constructed shoes and flatties dominate the field of women's footwear and patterns and variations in style are to a large extent American. The upper materials consist of patent and kip leathers and a large variety of fabrics and synthetics; all soles are made from synthetic materials. Production of women's shoes reached 571 thousand pairs last year, with factory prices ranging from $3.00 to $5.50 per pair.

Over 85 per cent of the children's shoes manufactured are of stitch-down construction; the remaining 15 per cent are California construction and cemented. Total production of children's shoes in 1958 reached 109 thousand. They ranged in price from $2.00 to $5.50 at the factory.

Method of Purchase

Each factory buys its raw material requirements independently. Jamaican tanneries can supply all the sole leather needed and some types of wooden heels are available locally, but the rest of the footwear industry's requirements are imported. Orders are placed with Jamaican agents of overseas suppliers or directly with the suppliers themselves. Individual orders are not large but, as one shoemaker observed recently, "the aggregate amounts to very worthwhile business".

The future prospects for the industry are bright. Jamaica's population is increasing steadily and markets in other West Indian islands will open up once the unit governments of the new Federation have agreed to a customs union. In the meantime, a factory established by a U.S. company under the Export Industry Encouragement Law a few months ago is exporting 5,000 pairs of Jamaican-made shoes to the United States each week. Other manufacturers are shipping approximately 5 per cent of their production to British Honduras, Trinidad, Barbados, and other nearby markets.

Opportunity for Canadian Exporters

Canadian manufacturers of upper leathers, heels, welting, and other materials needed by Jamaican shoe factories should be in a good position to expand their

RAW MATERIALS IMPORTED BY JAMAICAN SHOE INDUSTRY

Item No.	Items and Countries of Origin	Unit of quantity	1958 Quantity	1958 Value £
611-01.9	Upper leather and welting	lb.	Total: 400,185	227,136
	CANADA		155,771	94,467
	United States		111,518	74,358
	India		72,638	34,433
	United Kingdom		43,514	15,854
	Others		16,744	8,024
552-03.1	Waxes, polishes, pastes, powder and similar preparations for polishing and preserving leather	lb.	Total: 536,336	65,106
	United Kingdom		530,295	64,487
	United States		5,565	557
	India		287	21
	Germany		140	27
	CANADA		49	14
629-09.2	Rubber soles and heels	lb.	Total: 192,888	33,250
	United Kingdom		105,037	20,288
	Hong Kong		58,356	8,632
	United States		25,489	3,382
	CANADA		2,677	508
	Others		1,329	440
612-03.9	Other prepared parts of footwear n.e.s. (but excluding rubber soles and heels)	lb.	Total: 139,909	31,074
	United Kingdom		107,739	16,438
	CANADA		15,940	8,609
	United States		14,304	5,711
	Others		1,846	316
632-09.2	Wooden heels	lb.	Total: 16,487	8,715
	United States		10,921	5,667
	CANADA		4,913	2,954
	Netherlands		537	63
	Others		116	31
632-09.1	Shoemakers' lasts and tools	lb.	Total: 42,171	12,068
	Sweden		14,054	4,002
	United States		8,991	1,288
	United Kingdom		6,672	2,190
	Czechoslovakia		5,212	1,116
	CANADA		2,906	1,437
	Others		4,336	2,035

Note: The above statistics were supplied by the Department of Statistics, Kingston, Jamaica.

sales to the island. Deliveries can be made promptly on fast ocean freighters that ply between the two countries and Canadian goods are given margins of preference relative to non-Commonwealth suppliers of from 5 to 10 per cent. The only documentation required is completion of Jamaican customs invoice form C23 in triplicate and also a certificate of value and of origin. These should be mailed, with the original bill of lading, to the consignee or the bank making the collection.

Restrictions on dollar imports were almost completely abolished in Jamaica on July 1, 1959. However, some materials for the shoe industry, including leather, remain subject to individual licensing.

A list of Jamaican footwear manufacturers is on file in the Department of Trade and Commerce. If you would like a copy, write to the Editor, "Foreign Trade."

ARGENTINA

Pulp and Paper Mills Planned

A new bi-sulphate pulp mill is to be built in the delta of Argentina's Paraná River by an Argentinian and a West German firm. Heinrich Meier & Co., GmbH., of Wiesbaden will build the plant with Messrs. Potsoi S.A., Com. Ind. Fin. & I., of Buenos Aires. The German company will provide the pulpmaking machinery, moving and transporting equipment, as well as the necessary spare parts and accessories.

Based on a credit of US$700 thousand from the Export-Import Bank, Cia. General Papelera S.A., Buenos Aires, will set up a mill in the capital to make illustrating, offset and similar papers. Production is expected to start in December 1960. Associated in the venture is the S.D. Warren Co., of Boston, Mass., and the machinery will be supplied by the Beloit Iron Works of Wisconsin.

Papelera Argentina S.A. is to install a pulp mill at Bernal, Province of Buenos Aires, based on a credit from the Export-Import Bank of US$1.5 million. The equipment is valued at US$1.9 million, and will be supplied mainly by the Beloit Iron Works of Wisconsin.

An Argentine group is reported to be interested in building a paper and corrugated cardboard factory in the town of Tres Arroyos, Province of Buenos Aires, capitalized at 10 million Argentine pesos.

An association of pulpwood producers in the delta of the Paraná is looking for foreign capital to participate in setting up a mill on a suitable site in the delta. The plant will turn out wood pulp and serve as an assured outlet for the pulpwood production of members of the association. The Government of the Province of Entre Rios is apparently prepared to supply 50 per cent of the capital.

It is reported that Messrs. Ledesma S.A. Agricola Industrial propose to invest US$11 million plus 540 million pesos in the installation of a plant in the Province of Jujuy to make cellulose and paper. This mill will have a total production of 100 metric tons of white writing and printing paper a day. Sugar cane bagasse, kenaf fibres, ramie, agave fibre and hemp will be used. The industrial process to be adopted for turning the bagasse into cellulose will be the same as the one now used in the United States, Hawaii and Cuba. Parsons & Whitemore Inc., of New York, are in charge of the project.

—C. S. BISSETT,
Commercial Counsellor, Buenos Aires

Does Farm Machinery Sell in Venezuela?

A big rural development program is planned for Venezuela but until this takes shape, Canadian suppliers of agricultural machinery may encounter obstacles to increasing sales. The article tells why.

G. FONS,
Office of the Commercial Counsellor, Caracas.

WHEN manufacturers abroad read about Venezuela's prosperity, its oil exports, the absence of currency restrictions, and its liberal imports of consumer and capital goods, they naturally believe it to be an ideal country to absorb their own exports. Unfortunately, this is true only for certain products. The competition is so keen in some lines that the profits to be gained in this comparatively small market (population: six million) are not always worth the effort and financial outlay. This seems to apply particularly to tractors and agricultural and harvesting machinery.

Some Firms Successful

Some observers feel that this market is saturated and stationary at the moment. Certainly the 13 distributors of agricultural equipment are having a hard time maintaining a reasonable sales volume. The four major representatives of large foreign (mostly U.S.) manufacturers are striving to meet the problem by streamlining their sales and technical sections, retaining only the better paid and more efficient employees.

In one case, a large foreign manufacturer of farm machinery retired from the Venezuelan market discouraged because it seemed impossible to organize adequate servicing, sell at reasonable credit terms and, at the same time, keep costs low enough to compete with other long-established companies. For the same reason, another large international firm has been unable to sell a single tractor to the private trade.

On the other hand, there is one distributor whose business has grown with the country and who now has the largest sales volume of all the foreign distributors of his company. He uses the most modern methods of management and technical training, and his industrial relations department has set up a concise program of salary ranges and personnel policies.

Business with government departments flourished some years ago when Venezuela undertook an ambitious program of public works and crop raising and needed huge quantities of heavy machinery. This buying is over, however, and private operators are now the main purchasers of agricultural machinery.

New Plans for Rural Areas

A new government program is designed to direct the stream of prosperity away from the big cities and to strengthen the economic position and purchasing power of the rural districts. So far, these areas have been under-capitalized and therefore credit terms for the sale of agricultural machinery have had to be extended, as a rule, over three years. Bank credits to discount the drafts covering such purchases do not reach beyond 24 months, and are granted only if the drafts are guaranteed by the Banco Agricola y Pecuario (the government bank for agricultural and stock-breeding development). This means that a substantial amount of capital is tied up in each sale.

Under the previous provisional government, the Banco Agricola y Pecuario lacked funds to grant credits to Venezuelan farmers, though it undertook to guarantee their purchases. However, if the new constitutional regime carries through its program of land reform and credits to agriculture, the business potential for agricultural machinery in this country may be greatly improved.

First Five Years Difficult

A distributor, as well as maintaining several branches, shops, warehouses and staff at various agricultural centres, must carry a sufficient stock of machinery, spares and accessories to last for at least three months. This will cost him initially from $3 million to $5 million.

This outlay, plus difficulties and delays in organizing adequate sales and technical staff and setting up branches in several interior towns, may account for the general opinion that newcomers are likely to lose money during the first five years of operations here. Taking into account the high cost of skilled labour, warehousing and transportation and the fact that major distributors keep on stock up to 150 tractors for ready sales, plus a reserve of spares, it is clear that introducing a new brand in Venezuela may be a tough problem at present.

Most manufacturers of agricultural machinery design their units for operation in countries where they enjoy heaviest sales. Because these countries are in temperate zones, imported machinery does not always suit the tropical climate of Venezuela. Sometimes the machines require only slight additions or changes.

Often, however, special designs are necessary, as for harvesting tobacco and several tropical oilseeds such as sesame.

A Market Worth Patience

It is expected that the present slowdown will eventually give way to a more favourable market for agricultural machinery. The emphasis that the present Government places on developing rural areas and achieving self-sufficiency in most staple crops will undoubtedly benefit this trade in the long run. But to remove the credit hazard, a government price-support program for agricultural products is probably necessary. A crop insurance system, similar to the one successfully introduced in Mexico, has already been proposed to make possible steady agricultural income and allow farmers to buy on long-term credit, though high premiums might prevent its introduction in Venezuela. Even if this program is implemented, however, this market will remain very competitive.

Canadian manufacturers would do well to keep a close watch on agricultural developments in this country. Successful sales here will depend on a number of things: the Canadian manufacturer must be able to produce good quality equipment at competitive prices and terms and know how to service, market and adapt his products to local needs. He must also select a distributor who has the connections, technical and managerial knowledge, and ability to carry out his difficult task at the Venezuelan end. ●

Trade Commissioners on Tour

The following officers of the Trade Commissioner Service are undertaking tours in Canada. Their itineraries are:

S. V. ALLEN, Deputy Consul General (Commercial), in New York:

Toronto—Aug. 17-22
Vancouver—Sept. 14-17

M. B. BURSEY, Commercial Counsellor in Accra, Ghana:

Ottawa—Sept. 17-18
Winnipeg—Sept. 21-23
Toronto—Sept. 25-Oct. 2
Montreal—Oct. 5-Oct. 10

When he completes his tour, Mr. Bursey will be posted to Oslo, Norway, as Commercial Counsellor.

K. F. OSMOND, Commercial Secretary in Rome, Italy:

Montreal—Oct. 1-16

C. O. R. ROUSSEAU, Commercial Secretary in Beirut, Lebanon:

Montreal—Aug. 31-Sept. 4
Toronto—Sept. 8-14
Hamilton—Sept. 15
Winipeg—Sept. 17-18
Vancouver—Sept. 21-23

R. CAMPBELL SMITH, Commercial Counsellor in Paris, France:

Vancouver—Sept. 16-18

Businessmen who wish to see these officers should get in touch with the Board of Trade or Chamber of Commerce in the cities mentioned, with the following exceptions. In Toronto, Winnipeg and Edmonton, the Trade Commissioners make their headquarters at the offices of the Canadian Manufacturers Association; in Windsor, Ontario, at the offices of the Greater Windsor Industrial Commission; in St. Johns, Ottawa and Vancouver, at the Department of Trade and Commerce; in Victoria, at the Department of Trade and Industry, and in Fredericton at the Department of Industry and Development.

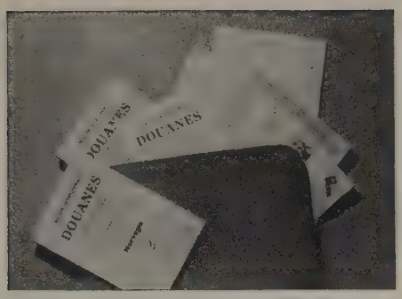
Tours of Territory

M. P. CARSON, Trade Commissioner in Singapore, will visit North Borneo, Sarawak and Brunei from September 12-15.

J. E. MONTGOMERY, Assistant Commercial Secretary in Caracas, Venezuela, will visit Maracaibo from the middle of August.

B. C. STEERS, Assistant Trade Commissioner in Singapore, will visit Kuala Lumpur from September 8-10.

Businessmen who would like these officers to undertake assignments should get in touch with them at their posts as soon as possible. Write to Mr. Carson and Mr. Steers at Singapore, and to Mr. Montgomery at Caracas.



Trade and Tariff Regulations

Antigua

IMPORT CONTROLS RELAXED—The Government of Antigua has announced that, effective July 1, all goods (with the exception of those listed in the schedule below which are subject to individual licensing) may be imported without restriction from the dollar area.

Goods Subject to Individual Licensing:

Arms and ammunition
Explosives
Gold and gold manufactures
Air-conditioning machines, self-contained, comprising elements for cooling, control of humidity, cleaning and circulating of air
Centrifugal drying and separating machines, other than of a kind used for domestic purposes
Compressors and exhausters, air and gas
Dredging equipment
Gas and chemical plant
Lifting, hauling and transporting machinery, the following: hoists, winches, pulleys
Oil-refining plant
Pile-drivers
Pumps of all kinds, including petrol and oil measuring pumps, other than of a kind used in motor vehicles, ships, boats or aircraft or for domestic purposes
Refrigerators and refrigeration machinery, other than of a kind used for domestic purposes
Separators for separating oil from mixtures of oil and water
Welding machines
Well-boring machinery and plant
Cocks, taps, traps and valves for controlling gases, liquids or vapours
Flexible tubing and piping, wholly or mainly of metal
Petroleum and shale oils, crude and refined (other than lubricating oils, waxes of all kinds including mixtures of waxes, wax residues, petrolatum and greases)
Motor vehicles and spare parts
Cigarettes
Cornmeal
Fats and oils, edible and non-edible, including shortening and margarine but excluding castor beans and castor oil, spermoil, tung oil, tessica oil and oil-bearing seeds

Australia

TARIFF BOARD INQUIRIES—The Australian Minister for Trade and Customs recently referred to the Tariff Board for inquiry and report the question whether assistance should be accorded to the production, through tariff action or otherwise, of the following goods:

1. Firearms which would be classifiable under Tariff Item 189, including parts and accessories therefor irrespective of their tariff classification
2. Metalworking milling machines.

Canadian firms exporting these products to Australia may wish to have their views placed before the Tariff Board. The most effective method of doing so is for the Canadian exporter to have his Australian agents act on his behalf. Action should be taken as soon as possible because inquiries normally begin soon after they are announced.

Rates of duty on these products may be obtained from the International Trade Relations Branch, Department of Trade and Commerce.

France

NEW DOLLAR IMPORTS LIBERALIZED—The Canadian Trade Commissioner in Paris reported by telegram that the French Government published on July 23 a consolidation of all items that have been freed from import restrictions since the beginning of this year. Approximately 650 items have been newly liberalized as a result of this step which raises the total number of freed items to about 1,500. All but some 200 of these items are liberalized also from Canada and the United States.

Although full details of this measure have not yet reached the Department, the Trade Commissioner reported that the following are among newly liberalized dollar imports:

Canned and frozen salmon
Canned lobster
Several other categories of fish
Eggs without shells
Maple sugar
Prepared soups
Special hams
Yeast
Polyvinyl chloride in powder
Concentrated sulphite lye
Various inorganic chemicals
Vitamin A
Abrasive materials
Yarns of artificial textile fibres

Ferro-chromium steel
Carbide blades and tips
Various non-ferrous metals
Gold for industrial uses
Pulp-mill machinery
Mixing and kneading machines
Large combines for rice
Various agricultural implements
Surgical and hospital equipment
Hockey sticks

Further details will be reported when they become available.

Iran

IMPORT CREDIT RESTRICTED—On June 23, 1959, the Bank Melli Iran (the issuing and National Bank of Iran) restricted the amount of credit extended to importers of non-essential goods. Under the regulations issued by the bank, importers are divided into two categories. A 100 per cent cash deposit must be paid by most applicants when letters of credit are opened. In the case of most creditable and first-class customers, a minimum of 25 per cent cash deposit will be accepted. This measure is intended to curb the import of luxuries, protect the current foreign exchange holdings, and assist local manufacturers wherever possible.

Exempted from these restrictive credit measures are some 34 classes of essential imports. These include:

Powdered and condensed milk, vegetable extracts, lubricating oils, heavy chemicals, pharmaceutical specialties and medicines, sodium carbonate, radiographic films, dyes, certain inks, hides, leather belting, tires and tubes, newsprint and writing paper, books and magazines, silk and cotton manufactures, iron and steel and manufactures, printing equipment, industrial and agricultural equipment, trucks and passenger cars, medical and scientific instruments, wool and artificial silk yarn, natural or synthetic raw rubber.

The complete schedule of goods not subject to import credit restrictions is available from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

IMPORT CONTROL POLICY ANNOUNCED—The import quota regulations of Iran for the year 1338 (March 22, 1959, to March 21, 1960) were announced on May 23, 1959. Under the regulations, there are no restrictions on authorized imports for the year; all types of goods may be imported, with the exception of certain products that are prohibited. No detailed list of authorized imports has been drawn up, but the prohibited goods are included in a schedule attached to the decree.

For the year March 22, 1959, to March 21, 1960, the over-all import quota of authorized commercial goods has been fixed at 25 billion rials. The Bank Melli Iran is obliged to open letters of credit and pay drafts for all authorized goods, having due regard to the availability of foreign exchange. If the foreign exchange reserves are insufficient for the import of all the authorized goods, the sale of foreign exchange for essential goods shall be given preference. The Iran Ministry of Commerce may also increase the import quotas, with due consideration to the country's exchange situation, if the import quotas approved for the year are insufficient to meet the demand.

Among the commodities included in the schedule of prohibited goods are:

Pork and lard in any form; cut flowers; potatoes; certain spices; all kinds of cereal flour; specified seeds; certain dyes; caviar, fish roe and the like; artificial edible honey; asparagus in any form; lemonade; tobacco and unprepared leaves of same; edible salt; raw sulphur; all types of kerosene, petroleum and gas for fuel; all types of tar made from oil; trebantine; nitric and azotic acid; saccharine and dolsine; fireworks; matches; artificial essences; waste paper; all types of yarns; cotton and refuse of cotton, unbleached calico, grey sheeting, canvas, all types of cotton socks, stockings for men, women and children; new and used clothing of all kinds and materials, except clothing made of leather and waterproof material; underwear of all types; pullover shawls and blouses; fishing nets made of nylon; all types of leather shoes; containers and articles made of silver or with silver coating; lead in the form of ingot (bar) or sheets.

The complete schedule of prohibited commodities may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Mauritius

IMPORT RESTRICTIONS LIBERALIZED—The Mauritius authorities have announced that, effective July 1, 1959, all products may be imported freely from the dollar area with the exception of the following:

Air conditioning machines, self-contained, comprising elements for cooling, control of humidity, cleaning and circulating of air
Centrifugal drying and separating machines, other than of a kind used for domestic purposes
Compressors and exhausters, air and gas
Dredging equipment
Gas and chemical plant
Lifting, hauling and transporting machinery, the following: hoists, winches, pulleys
Motor cars
Oil-refining plant
Pile-drivers
Pumps of all kinds, including petrol and oil-measuring pumps, other than of a kind used in motor vehicles, ships, boats or aircraft, or for domestic purposes
Refrigerators and refrigeration machinery, other than of a kind used for domestic purposes
Separators for separating oil from mixtures of oil and water
Welding machines
Well-boring machinery and plant
Cocks, taps, traps and valves for controlling gases, liquids or vapours
Flexible tubing and piping, wholly or mainly of metal
Petroleum and shale oils, crude and refined (other than lubricating oils, waxes of all kinds including mixtures of waxes, wax residues, petrolatum and greases).

Pakistan

IMPORT POLICY—In Public Notice No. 55(59)/Import, dated at Karachi, July 1, 1959, and published in the *Gazette of Pakistan* on July 2, 1959, the Chief Controller of Imports and Exports of the Government of Pakistan announced the items for which import licences will be issued for the shipping period July-December 1959.

Licences will be valid for all countries of the world, including Canada, except those issued under triangular aid or those on which, under bilateral trade agreements or barter arrangements, the country of origin of the goods to be imported is specified.

Industrial consumers will be allowed, on obtaining prior permission, to import products that may not be on the licensable list but are considered essential for their requirements.

Among the items listed in the Public Notice, the following are possibly of interest to Canadian exporters:

Iron and steel; asbestos manufactures; cement; chemicals; drugs and medicines; clocks and watches; glassware; electric instruments, apparatus and appliances; scientific instruments; office machines, including typewriters; ball and roller bearings; paper, all sorts including newsprint; brake fluid; synthetic rubber; fountain pens and parts; aircraft and parts; motor vehicles and parts.

Copies of a detailed list may be obtained from the International Trade Relations Branch.

Rhodesia and Nyasaland

IMPORT CONTROLS—Details have been received of changes in the Federation of Rhodesia and Nyasaland import control program for the period July-December 1959.

The following goods have been transferred to the Unrestricted List which means that they will now be freely licensed for import from the dollar area:

Tariff Item No.	*Description*
436	Pickles, sauces, chutneys and other condiments, not elsewhere enumerated in the tariff
759(2)	Bagging and sacking in the piece
763(1)	Carpets, floor rugs, mats and matting not elsewhere enumerated in the tariff, including underfelt not elsewhere enumerated in the tariff
771	Lace (not including woven, crocheted or knitted ware) and embroidery
886(1)	Bicycles, tricycles and motorcycles, not being toys
932	Perambulators and baby carts

Women's silk and nylon hosiery have been added to the list of dollar goods for which special quotas have been established. The dollar quota for women's hosiery for the second half of 1959 has been set at £10 thousand. Special quotas for imports from the dollar area will be issued on the following basis:

A. For the following goods up to the total value shown against each:

Wheat	£225,000
Piecegoods for clothing manufactures	£100,000
Commercial and passenger motor vehicles	£300,000
Stoves and washing machines and refrigerators	£ 30,000
Women's silk, nylon, etc., hosiery	£ 10,000

B. The following goods for industrial purposes:

(i) all raw materials for blanket manufacture
(ii) tapestry ticking for furniture manufacture
(iii) industrial haberdashery for clothing manufacture
(iv) the following items for paper and board covers: sack kraft, kraft linen, tissue, crepe kraft and coated kraft excluding bituminized kraft, cellular wadding, waxed paper, kraft of sulphite for paper bags, bleached greaseproof or glacine, chem fibre
(v) castors

Details concerning the commodities which are still on the restricted or prohibited list when originating in the dollar area may be obtained from the International Trade Relations Branch.

South Africa

REPRESENTATIONS RESPECTING THE TARIFF—The South African Board of Trade announced recently that it had received the following representations respecting the tariff:

Increase in duty on:

1. Rubber hose, from various rates of duty to the following:—

	Minimum Rate	Intermediate Rate	Maximum Rate
(a) rubber air and rubber water hose, up to 3 in. diameter, except garden hose			
ad valorem or per lb.		15%	20%
(i) plain		7d.	8d.
(ii) armoured		5d.	6d.
		whichever duty is the greater	
(b) rubber water garden hose (plain or armoured)			
ad valorem	15%	15%	20%
or per lb.	3d.	4d.	5d.
		whichever duty is the greater	
(c) rubber suction hose			
ad valorem or per lb.		15%	20%
(i) plain		6d.	7d.
(ii) armoured		5d.	6d.
		whichever duty is the greater	
(d) rubber steam hose and other rubber hose, n.e.s.			
ad valorem		15%	20%
or per lb.		8d.	9d.
		whichever duty is the greater	

2. Babies' teats and dummies from 20 per cent ad valorem to 35 per cent ad valorem (intermediate rate) and 50 per cent ad valorem plus a specific duty of 12s. 6d. per gross (maximum rate).

3. (a) Process cheese, being the product obtained by the mixing and blending of different quantities of normal milk cheese, whether or not of the same make, type or grade, and which has been subjected to heat treatment or pasteurization, with or without the addition of emulsifying agents, and containing not more than 45 per cent of moisture; and

(b) cheese preparations and cheese spreads, being food preparations containing cheese with or without the addition of other food constituents, species, flavouring matter, colouring matter, emulsifying agents and preservations, and containing not less than 14 per cent of milk fat nor more than 60 per cent of moisture, from 25 per cent ad valorem and in addition 6d. per lb. to 50 per cent ad valorem and in addition 1s. per lb.

4. Electric motors, three-phase, not less than one and not exceeding 75 horsepower, from 15 per cent ad valorem (minimum rate) and 20 per cent (intermediate rate) to 35 per cent and 40 per cent ad valorem, respectively.

5. Mechanical vacuum cleaners, from 10 per cent ad valorem to 50 per cent ad valorem in the maximum column.

6. Cylinders for gases under pressure, excluding cylinders used as containers for carbonic acid gas for soda-water siphons, from free of duty to 25 per cent ad valorem or £2.5s. per 100 lb. cylinder, whichever is the greater.

7. Distilled water in ampoules, from 10 per cent ad valorem to 10 per cent ad valorem or 3s. per 100 (irrespective of size), whichever is the greater.

8. (a) Unglazed vitrified mosaic tiles, from 20 per cent ad valorem to 20 per cent ad valorem and in addition 7s. per square yard or 30 per cent ad valorem, whichever is the greater.
(b) glazed vitrified mosaic tiles, from 20 per cent ad valorem to 20 per cent ad valorem and in addition 12s. per square yard or 30 per cent ad valorem, whichever is the greater;
(c) encaustic vitrified floor tiles, 4 inches by 4 inches, from 20 per cent ad valorem to 20 per cent ad valorem and in addition 6s. per square yard or 30 per cent ad valorem, whichever is the greater; and
(d) encaustic vitrified floor tiles 6 inches by 6 inches, from 20 per cent ad valorem, to 20 per cent ad valorem and in addition 10s. per square yard or 30 per cent ad valorem, whichever is the greater.

Canadian firms exporting these goods to South Africa may wish to have their views placed before the Tariff Board. The most effective method of doing so is for the Canadian exporter to have his South African agents act on his behalf. Action should be taken as soon as possible because tariff inquiries normally begin soon after they are announced.

IMPORT LICENCES—The Government has announced a further issue of import licences for consumer goods in Group A, mainly of the type not made in the Union. The following types of goods benefit by this issue, which amounts to 25 per cent of quota and brings the allocation of permits for Group A to 100 per cent of that in 1958:

Animals; books; clocks and watches; clothing; crockery and glassware; domestic equipment; floor coverings; foodstuffs; firearms; film; hairdressing equipment; horticultural requirements; hotel kitchen equipment; knitting machines; power-driven lawn mowers; musical instruments; office equipment; pens, pencils and refills; oil baize and oilcloth; outboard motors; wallpaper; greaseproof paper and waxed paper; photographic apparatus and material; sewing machines; smokers' pipes.

Details of the specific items under the above headings can be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

For previous announcements see "Foreign Trade" issues of May 9, 1959, page 27, and December 20, 1958, page 26.

Spain

NEW ECONOMIC SYSTEM SET UP—Spain's admission to OEEC as a full member on July 20, 1959, marked the beginning of a new era in her economic history. Several decrees have since been passed, implementing the economic new deal.

In the first place, Spain's commitment to OEEC calls for the immediate liberalization of at least 50 per cent of her import trade. The complete list of liberalized products was published in the *Official Gazette* of July 30. This liberalization applies equally to Canada, Western Europe and the United States, and to certain other countries. The items of possible interest to Canada are listed below and the International Trade Relations Branch of the Department will be glad to supply information on specific products.

PARTIAL LIST OF LIBERALIZED IMPORTS

Flaxseed
Fish oils and greases, raw
Cod liver oils, raw
Table potatoes
Seed potatoes
Purebred cattle
Ammonium sulphate
Ammonium nitrate, synthetic
Other synthetic nitrates
Calcium cyanamid
Carbon black
Foundry scrap
Steel scrap
Ferromanganese
Ferrosilicon
Ferrochrome
Other ferro-alloys
Copper mineral and concentrates
Chrome ore
Aluminum ingots
Aluminum scrap
Blister copper
Copper scrap and waste
Zinc metal in bars, paste, etc.
Zinc scrap
Nickel in bars, ingots, cubes, balls, pellets and rounds
Cadmium
Cobalt
Magnesium
Sawn wood in boards and planks over 40 mm. in thickness
Pulpwood for wood pulp manufacture
Pitprops
Rubber—raw, crepe and latex
Rubber—synthetic
Rubber waste, maximum length 0.5 meters, width 0.05 meters
Asbestos fibre and powder
Shellac
Copper sulphate
Power-generating machinery—rotary type over 100 mva.

Steam turbines, over 100 mv.
Gas turbines
Steam boilers, over 100 kilograms/square centimeter and 250 metric tons per hour
Hydraulic turbines, over 50 mv.
Mining machinery, over 300 h.p.
Auxiliary equipment for cellulose manufacture
Machinery for manufacture of artificial and synthetic yarns
Oxygen plants, complete, for nitrogen and siderugical industries
Lathes for bars over 500 mm. in diameter
Lathes for axles equipped with railway wheels
Pulpwood log and slab barkers
Lathes for sheet-rolling mills
Vertical lathes over 15 metric tons
Boring machines, over 20 metric tons
Milling cutters
Drilling machines, radial, over 2 meters
Planing mill, bridge over 10 metric tons
Screw-cutting lathes
Heavy screw-cutting machines, over 10 metric tons
Milling cutters, over 5 metric tons
Cylinder grinders, over 10 metric tons
Broaching machines, over 1.5 meters displacement
Lath-mill machinery
Punching machinery
Vertical metal planers, over 30 metric tons
Special multiple head units (transfer) over 30 metric tons
Milling cutters, over 10 metric tons
Automobile spare parts
Steam locomotives, over 1 meter gauge
Parts for steam locomotives
Electric locomotives, over 1 meter gauge
Railway coaches and freighters
Paper-mill equipment for manufacture of paper (over 3.6 meters width, at speed of 250 meters per minute)

Spain is further committed to bring 40 per cent of her trade, from the same sources, under non-discriminatory global quotas before the end of the calendar year; this will be studied further by OEEC officials in Paris during the early autumn. The remaining 10 per cent of her import trade will be conducted under bilateral agreements for the time being.

A new and uniform exchange rate of 60 to the U.S. dollar has been established—a devaluation of about 40 per cent—and the multiple exchange rate system abolished. This move is expected to return more than $200 million to the Bank of Spain from the tourist trade alone. The press reports a strong inflow of foreign currencies to the banks.

Following devaluation, a rise in the cost of living is expected; the estimate is about 10 per cent. Already the retail price of gasoline, a state monopoly, has gone up about 40 per cent (Spain has to import all the gasoline she uses). Railway fares and freight rates have been raised substantially, a new telephone rate has been announced, and other increases are in the offing.

The Government faces difficult problems and a period of austerity will be necessary before the new system is established and working smoothly. But the Spaniards are accustomed to hardship. A tight money policy will be followed to curb inflation and this may perhaps mean some increase in unemployment. Productivity has been relatively low and workers who are poorly paid will require more money to meet the rising cost of living.

To assist in implementing this program, Spain has been granted loans and credits by various international and U.S. agencies to a total of $418 million. OEEC has provided $100 million of this, 75 per cent of which is available immediately and the remainder by next February, subject to a favourable review at that time. At the time Spain entered OEEC, her foreign exchange reserves were practically exhausted.

Imports into Spain from dollar countries are expected to increase substantially. Canadian suppliers of raw materials on the free list are advised to revive their sales contacts in Spain at once or to establish new ones. The Commercial Counsellor's office in the Canadian Embassy, Madrid, will be glad to help with any trade inquiry.

—M. T. STEWART,
Commercial Counsellor, Madrid.

Syria

IMPORTS THROUGH PORT OF LATTAKIA—Under a ministerial decree dated May 26, 1959, the Government of the Syrian Region, United Arab Republic, announced that specified goods listed in the schedule attached to the decree may be imported only through the port of Lattakia. According to the decree, the goods exempted from this provision include: products of neighbouring countries imported by land; goods for which credits have been opened before May 27; products which have been shipped before June 1; merchandise forwarded by air or parcel post.

The schedule of goods affected by this decree includes some 91 categories, among which are:

Linseed or flaxseed oil; rubber tires and tubes; woollen clothing; synthetic fibre yarn and clothing; planks and boards; paper and cardboard; gas engines and parts; iron and steel plates and sheets; agricultural implements, appliances and parts; other machinery and parts; medicinal preparations.

The complete schedule of goods that may be imported into Syria only through the port of Lattakia can be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa, Ontario.

Air Parcel Post to Soviet

An air parcel post service between the U.S.S.R. and Canada for parcels weighing up to twenty pounds and properly labelled went into operation on August 1. The general regulations covering surface parcel post to the Soviet Union apply to the new service also and parcels cannot be insured. Rates for addresses in the U.S.S.R. in Europe are $1.65 for the first eight ounces and 55 cents for each additional four ounces; for the U.S.S.R. in Asia, $2.00 for the first eight ounces and 55 cents for each additional four ounces.

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollar equivalent and units of foreign currency per Canadian dollar have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which the banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalent multiply by 1.04302.

foreign exchange rates

Country	Unit	Type of Exchange	Can. dollar equivalent July 31	Units per Canadian dollar	Notes (See below)
Argentina	Peso	Free	.01126	88.81	(1)
Austria	Schilling		.03691	27.09	
Australia	Pound		2.1564	.4637	
Bahamas	Pound		2.6955	.3710	
Belgium, Belgian Congo and Luxembourg	Franc		.01920	52.08	
Bermuda	Pound		2.6955	.3710	
Bolivia	Boliviano	Free	.00008392	11,916.11	
British Guiana	Dollar		.5616	1.78	
British Honduras	Dollar		.6739	1.48	
Brazil	Cruzeiro	General Category*	.005316	188.11	*July 15 (2)
		Special Category	.002998	333.59	
		Official selling	.05094	19.63	(3)
Burma	Kyat		.2013	4.97	
Ceylon	Rupee		.2022	4.95	
Chile	Peso	Free	.0009114	1,097.21	(4)
Colombia	Peso	Certificate	.1497	6.68	
Costa Rica	Colon	Official	.1707	5.86	
		Controlled free	.1441	6.94	
Cuba	Peso		.9588	1.04297	tax 2%
Czechoslovakia	Koruna		.1332	7.51	
Denmark	Krone		.1392	7.18	
Dominican Republic	Peso		.9588	1.04297	
Ecuador	Sucre	Official	.06392	15.64	
		Free	.05426	18.43	
Egyptian Region, United Arab Rep.	Pound	Official	2.7531	.3632	
		Export account selling	1.8525	.5398	
El Salvador	Colon		.3835	2.61	
Fiji	Pound		2.4284	.4118	
Finland	Markka		.002996	333.78	
France, Monaco and North Africa	Franc		.001955	511.51	(5)
French colonies	Franc		.003910	255.75	(6)
French Pacific	Franc		.01075	93.03	(7)
Germany	D Mark		.2292	4.36	
Ghana	Pound		2.6955	.3710	
Greece	Drachma		.03196	31.29	
Guatemala	Quetzal		.9588	1.04297	
Haiti	Gourde		.1918	5.21	
Honduras	Lempira		.4794	2.09	
Hong Kong	Dollar	Free*	.1656	6.04	*July 24
		Official	.1685	5.93	
Iceland	Krona	Official	.05887	16.97	(8)
India	Rupee		.2022	4.95	
Indonesia	Rupiah	Effective buying	.03161	31.63	*July 20
		Effective selling	.02529	39.54	(8)
Iran	Rial		.01266	79.01	

*Latest available quotation date.

Country	Unit	Type of Exchange	Can. dollar equivalent July 31	Units per Canadian dollar	Notes (See below)
Iraq	Dinar		2.6845	.3725	
Ireland	Pound		2.6955	.3710	
Israel	Pound		.5326	1.88	
Italy	Lira		.001545	647.25	
Japan	Yen		.002663	375.52	
Lebanon	Pound	Free	.3044	3.29	
Mexico	Peso		.07670	13.04	
Netherlands	Florin		.2541	3.94	
Netherlands Antilles	Florin		.5120	1.95	
New Zealand	Pound		2.6955	.3710	
Nicaragua	Cordoba	Effective buying	.1453	6.88	
		Official selling	.1361	7.35	
Norway	Krone		.1347	7.42	
Pakistan	Rupee		.2022	4.95	
Panama	Balboa		.9588	1.04297	
Paraguay	Guarani	Official	.007924	126.20	
Peru	Sol	Certificate	.03303	30.28	
Philippines	Peso		.4794	2.09	
Portugal & Colonies	Escudo		.03346	29.89	(9)
Singapore and Malaya	Straits dollar		.3145	3.18	
Spain and Dependencies	Peseta	Commercial selling	.01598	62.58	(8)
Sweden	Krona		.1854	5.39	
Switzerland	Franc		.2224	4.50	
Syrian Region, United Arab Rep.	Pound	Free	.2681	3.73	
Thailand	Baht	Free	.04563	21.91	(8)
Turkey	Lira	Effective selling	.1065	9.39	(8)
Union of South Africa	Pound		2.6955	.3710	
United Kingdom	Pound		2.6955	.3710	
United States	Dollar		.95875	1.04302	
Uruguay	Peso	Free	.09153	10.93	
		Basic buying	.6329	1.58	(8)
		Principal selling	.4566	2.19	
Venezuela	Bolivar		.2862	3.49	
West Indies Fed.	Dollar		.5616	1.78	(10)
	Pound		2.6955	.3710	(11)
Yugoslavia	Dinar	Official	.003196	312.89	(8)
		Settlement rate	.001517	659.19	

*Latest available quotation date.

notes

1. Argentina: Effective Jan. 1, 1959, a single fluctuating exchange rate was introduced. Exports are subject to retention taxes of either 10 or 20 per cent ad valorem under this system.
2. Brazil: exporters receive cruzeiros at official rate plus exchange premiums ranging from 18.70 to 48.64 cruzeiros per U.S. dollar, depending on product.
3. For imports of wheat, newsprint and petroleum, the effective rate of exchange is the official selling rate plus a surcharge of 61.18 cruzeiros.
4. Chile: free rate applies to exports and to imports, except prohibited imports. Chilean importers must deposit local currency in amounts ranging from 5 to 5,000 per cent, depending on product, prior to shipment of goods.
5. France: territory includes Algeria, Tunisia, Morocco, Guiana, Guadeloupe, Martinique.
6. Equatorial Africa, West Africa, Cameroons, Togoland, Somaliland, Madagascar, Reunion, St. Pierre and Miquelon.
7. New Caledonia, New Hebrides, Oceania.
8. Additional rates are in effect.
9. Portugal: approximately same rate for Portuguese territories in Africa.
10. Barbados, Trinidad, Tobago, Leeward and Windward Islands.
11. Jamaica.

Inga Project Draws Nearer

—a progress report on plans to harness the Congo River's Inga Rapids—the site of what may be the world's biggest hydro-electric power development.

L. H. AUSMAN, *Commercial Counsellor, Brussels.*

THE hydro-electric power potential of the Inga project on the Lower Congo, which is now under study, totals over 25 million kilowatts. This just about equals Canadian installed capacity and is eight times the present thermal power available in Belgium. When development of the Inga Rapids begins, this production will be reached in a number of stages; the first is expected to develop 400 thousand kw.

Independent Consultants

Studies on the development of the huge Inga power project have been in progress since as early as 1926, and detailed surveys have been undertaken by various groups since 1951. In June 1956 the Government appointed four firms of consultants to determine the potential and the cost of the entire project and to recommend plans for its development.

Their reports, prepared independently, were submitted by March 15, 1957, and were examined by a committee of experts that the Government set up for this purpose. The committee, composed of five experts from Belgium and five from other countries drafted a unified program based on various proposals and submitted it to the Minister of the Belgian Congo and Ruanda Urundi.

Shortly after, on December 4, 1957, the Institut National d'Études pour le Développement du Bas Congo was created by royal decree. Its purpose was to study:

(a) in general, the question of the hydro-electric equipment of the Inga site, including the necessary infrastructure

(b) the method of financing the work of equipping the site

(c) the economic possibilities for using the electric current

(d) related problems (demographic, social, town planning, transport, etc.)

(e) questions submitted to the Institute by the Minister.

Subsequent regroupings brought the consultants together in an association known as Abelinga (Association Belge pour la Réalisation d'Inga). Early in June 1959 an agreement was signed between Abelinga and the Institut (acting on behalf of the Belgian Government) for the preparation of final studies and the calling of tenders.

Project Will Grow

Since the plan was first announced, there have been alterations in timing and the capacity for the initial stage of development has been reduced from 1.5 million to 400 thousand kw. Later stages will follow as the demand for power grows. Because preliminary studies were based on a somewhat different program the new and final studies will have to take into consideration alternative sites for the dams and power stations, one of which may be built underground. The estimated cost for the first phase is $80 million.

The work that Abelinga is now doing will take about a year to complete. By the fall of 1960 it is expected that tenders will have been called and the cost of the power accurately determined. This will enable the large consumers of electricity to determine how much they will need. At that time too the Belgian Government will decide whether or not to proceed with actual construction.

Who Will Use Power?

Apart from the economic and political climate at the time that the plan is to be approved, the decision to go ahead must depend on the demand for electricity. Without a substantial consumer, the project would not be economic. Production of enriched uranium would require considerable amounts of power, but no plans have been announced for such a project. On the other hand, an aluminum smelter is a definite possibility and could easily consume the bulk of the first 400 thousand kw. of electricity. Other industries, such as pulp and paper, nitrogen fertilizers, ferro-alloys and titanium, are under study by various Belgian groups.

An international consortium of aluminum producers is making studies for the eventual construction of a smelter of 100 thousand to 150 thousand-ton capacity in the vicinity of the proposed Inga power plant on the Lower Congo. These studies are based partly on access to bauxite deposits in the area, but the establishment of a smelter does not necessarily depend on the availability of this raw material in the Lower Congo. It is understood that the aluminum interests will be in a position to make their decision shortly after the Abelinga studies are completed and the cost of power known—probably before the end of 1960.

Canadian contracting and manufacturing firms interested in any of these developments should make their services known to the Commercial Counsellor, Canadian Embassy, Brussels. ●

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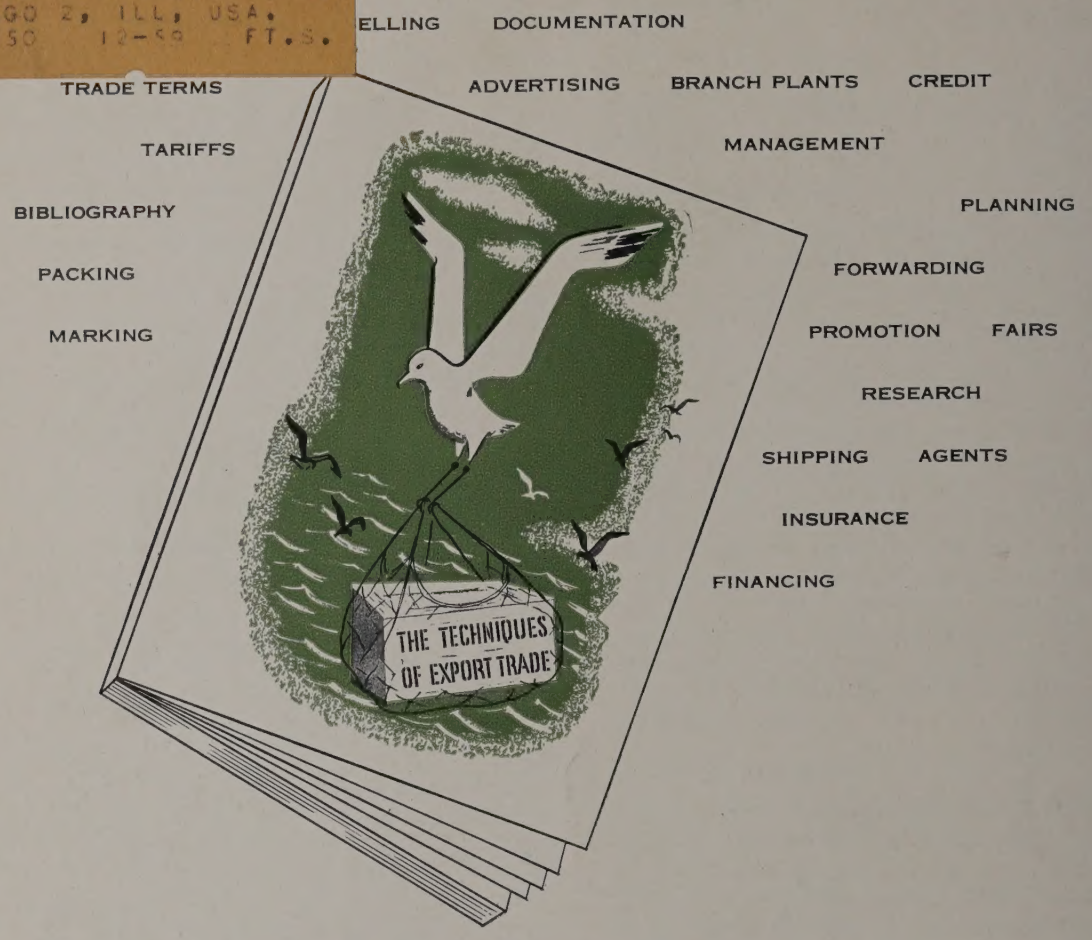

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